

partment of Kansas, signed by 44 members of Washington, Kans., urging the enactment of legislation to increase the pension of old soldiers to \$72 per month and every soldier's widow \$50 a month; to the Committee on Invalid Pensions.

92. By Mr. TEMPLE: Petition of E. R. Brady Post, No. 242, Grand Army of the Republic, of Brookline, Pa., urging passage of bill providing for a substantial increase in the rate of pension for all Civil War veterans and their widows; to the Committee on Invalid Pensions.

93. By Mr. BARBOUR: Resolution adopted by the Order of the Native Sons of the Golden West, urging that the Pacific coast be provided with adequate naval base and other defenses; to the Committee on Naval Affairs.

SENATE

Monday, December 14, 1925

Rabbi E. J. Jack, of Little Rock, Ark., offered the following prayer:

Universal power, unending strength, and source of inspiration, unto Thee, O Thou Eternal One, Thou who hast ever directed and guided the work of Thy servants, unto Thee, great Mind of the universe, should ever be our first thought. Gratefully do we acknowledge our constant dependence upon Thee and readily do we realize and recognize the weakness and the vainness of human endeavor without Thy gracious favor.

O great Guardian, Thou who hast watched over our beloved country from the very moment of its birth even unto now and hast blessed it so beautifully and so bountifully, humbly do we beseech Thee to continue the great love and protection upon it, upon its Chief Executive, upon the Presiding Officer of this august assembly, upon all its counselors, and all who have been intrusted with the sacred charge of promoting and protecting its national ideals. Yea, even the highest heaven hearkeneth to Thy whispering, and Thy glorious presence is displayed in all the extent of nature. In the heavens above and on the earth beneath Thy goodness is manifested in every respect, and Thy greatness guardeth and governeth and guideth all motion.

So, great Power, sanctify all the work before this body. May all assembled here be blessed with strength and with understanding and consecrate themselves thoroughly and completely to the high purpose to which they have been called, that of furthering to the utmost the welfare and well-being of these United States and all its citizenry. And may the good thoughts which arise in the mind of any be supported by the labors of many and become fruitful and useful to the common interest of all, bringing blessing to untold numbers and glory to Thy name, O God. Amen.

The Chief Clerk proceeded to read the Journal of the proceedings of Thursday last, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the joint resolution (S. J. Res. 1) to continue section 217 of the act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes (Public, No. 506, 68th Cong.), approved February 28, 1925, in full force and effect until not later than the end of the second week of the second regular session of the Sixty-ninth Congress.

The message also announced that the House had passed a joint resolution (H. J. Res. 67) authorizing payment of salaries of the officers and employees of Congress for December, 1925, on the 19th day of that month, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the following concurrent resolution (H. Con. Res. 3), in which it requested the concurrence of the Senate:

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn Tuesday, December 22, 1925, they stand adjourned until 12 o'clock meridian Monday, January 4, 1926.

BROAD RIVER POWER CO., COLUMBIA, S. C. (S. DOC. NO. 20)

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting in response to Senate Resolution 30, agreed to March 17, 1925, relative to the dam construction operations of the Broad River Power Co., of Columbia, S. C., which was referred to the Committee on Commerce and ordered to be printed.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a list of documents and files of papers in his department not needed or useful in the transaction of business and having no permanent value or historical interest, and asking for action looking to their disposition, which was referred to a joint select committee on the disposition of useless papers in the executive departments.

The VICE PRESIDENT appointed Mr. STANFIELD and Mr. PITTMAN members of the committee on the part of the Senate.

REPORT OF THE SECRETARY OF THE TREASURY

The VICE PRESIDENT laid before the Senate, pursuant to law, the annual report of the Secretary of the Treasury on the state of the finances for the fiscal year ended June 30, 1925, which was referred to the Committee on Finance.

REPORT OF SURGEON GENERAL OF PUBLIC HEALTH SERVICE

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, pursuant to law, the report of the Surgeon General of the Public Health Service for the fiscal year 1925, which was referred to the Committee on Finance.

VOCATIONAL REHABILITATION

The VICE PRESIDENT laid before the Senate a communication from the Director of the United States Veterans' Bureau, transmitting, pursuant to law, a statement of receipts and expenditures of vocational rehabilitation, Veterans' Bureau special fund, for the fiscal year 1925, which was referred to the Committee on Finance.

REPORT OF THE COMPTROLLER OF THE CURRENCY

The VICE PRESIDENT laid before the Senate a communication from the Comptroller of the Currency, transmitting, pursuant to law, the annual report of the comptroller covering activities of the Currency Bureau for the year ended October 31, 1925, which was referred to the Committee on Banking and Currency.

CONTINGENT EXPENSES, INTERIOR DEPARTMENT, 1925

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, an itemized statement of expenditures made by the Department charged to the appropriation "Contingent expenses, Department of the Interior, 1925," fiscal year ended June 30, 1925, which was referred to the Committee on Appropriations.

PROPOSED ROOSEVELT MEMORIAL

The VICE PRESIDENT laid before the Senate a communication from James R. Garfield, president of the Roosevelt Memorial Association, transmitting, pursuant to law, a book containing the plans and designs of the proposed Roosevelt Memorial in the city of Washington, which was referred to the Committee on the Library.

PETITIONS AND MEMORIALS

Mr. WILLIS presented petitions and papers in the nature of petitions of sundry citizens of Van Buren, and of the Women's Auxiliary of the Protestant Episcopal Church of Cleveland, in the State of Ohio, praying for the adherence of the United States to the Permanent Court of International Justice, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Southeast District of the Ohio Federation of Women's Clubs at Ironton, Ohio, favoring the making of an appropriation of \$10,000,000 for the erection in Washington, D. C., of a building to be known as the National Gallery of Arts, which was referred to the Committee on Public Buildings and Grounds.

He also presented a petition, numerous signed by sundry citizens of Ohio and Pennsylvania, praying for the repeal of the tax on lenses and photographic supplies, which was referred to the Committee on Finance.

He also presented resolutions adopted at a meeting of citizens at Toledo, Ohio, favoring the adherence of the United States to the Permanent Court of International Justice with the so-called Harding-Hughes-Coolidge reservations, which was referred to the Committee on Foreign Relations.

Mr. OVERMAN presented a petition of sundry cotton growers and merchants in the State of North Carolina, praying for the repeal of the present law requiring the issuance of semimonthly condition reports on the cotton crop, which was referred to the Committee on Agriculture and Forestry.

Mr. JONES of Washington presented a resolution adopted by the Commercial Law League of America, favoring the adherence of the United States to the Permanent Court of International Justice in accordance with the plan set forth in the

message of the President of February 24, 1923, which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by the Spokane (Wash.) Bar Association, favoring the adherence of the United States to the protocol establishing the World Court with the so-called Harding-Hughes reservations, which were referred to the Committee on Foreign Relations.

Mr. BINGHAM presented a resolution adopted by the Hat Finishers' Association of Danbury, Conn., favoring a Federal investigation of the coal industry, which was referred to the Committee on Mines and Mining.

He also presented a petition of sundry members of the bar of the District Court of the United States for the district of Connecticut, praying for the passage of legislation providing an additional district judge for the United States District Court for the District of Connecticut, which was referred to the Committee on the Judiciary.

Mr. McLEAN presented the petition of the Department of Connecticut, Grand Army of the Republic, of Bridgeport, Conn., praying for the passage of legislation providing increased pensions to veterans of the Civil War, their widows, and old Army nurses, which was referred to the Committee on Pensions.

He also presented a resolution adopted by the Hat Finishers' Association of Danbury, Conn., favoring a Federal investigation of the coal industry, which was referred to the Committee on Mines and Mining.

He also presented resolutions adopted by the Hartford (Conn.) Federal Business Association, favoring the erection in the city of Hartford, Conn., of a new Federal building sufficiently large to house all Federal activities in that city, which was referred to the Committee on Public Buildings and Grounds.

He also presented petitions and letters in the nature of petitions of the Young Men's Christian Association, Woman's Christian Temperance Union, and congregation of the Blue Hills Baptist Church, of Hartford; Mount Carmel Book Club; Plymouth Woman's Federation; Council of Jewish Women and citizens of New Haven; Men's Club of Christ Church; Bridgeport Business and Professional Woman's Club (Inc.), of Bridgeport; League of Women Voters of New London; Republican Woman's Club of Stamford; Chamber of Commerce of Middletown and Woman's Christian Union of Naugatuck; League of Women Voters of Ridgefield; Woman's Christian Temperance Union of Willimantic; Woman's Club of Woodbury; sundry citizens of New Hartford; sundry citizens of Norfolk; Authors' Club and National Institute of Art and Letters of Brooklyn; sundry citizens of Washington; Toland County Council of Religious Education of South Willington; Woman's Christian Temperance Union of South Willington; Woman's Christian Temperance Union of Central Village; Woman's Christian Temperance Union of Cromwell; and sundry citizens of Watertown, all in the State of Connecticut, favoring the proposal to establish an international court of justice, to which nations may submit their disputes if they so desire, which were referred to the Committee on Foreign Relations.

Mr. CAPPER presented resolutions adopted by the State board of the Kansas Federation of Women's Clubs, at Manhattan, Kans., favoring the making of an appropriation for the erection in Washington of a building to be known as the National Gallery of Art, which were referred to the Committee on Public Buildings and Grounds.

He also presented a petition of sundry citizens of Salina, Kans., praying for the enactment of legislation providing for the establishment of a Federal Department of Education, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the State convention of the Hays (Kans.) Farmers' Union, favoring the completion and operation by the Government of the Muscle Shoals power plant, which was referred to the Committee on Agriculture and Forestry.

He also presented resolutions of the Chambers of Commerce of Wichita and Ottawa, both in the State of Kansas, favoring the admission of the United States to the Permanent Court of International Justice, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the board of directors of the Emporia (Kans.) Chamber of Commerce, favoring the making of appropriations for the immediate completion of the improvement of the Missouri River up to Kansas City, according to the plans of the Engineer Corps heretofore adopted, and the extension of such improvement as far north as the engineers may determine is feasible, which was referred to the Committee on Commerce.

He also presented a petition of sundry members of Alger Camp, No. 20, United Spanish War Veterans, of Atchison,

Kans., praying for the passage of legislation increasing the pensions of veterans of the Spanish War, which was referred to the Committee on Pensions.

He also presented a petition of sundry members of Kearney Post No. 5, Department of Kansas, Grand Army of the Republic, and members of Women's Relief Corps No. 67, of Washington, Kans., praying for the enactment of legislation granting pensions of \$72 per month to veterans of the Civil War and \$50 per month to their widows, which was referred to the Committee on Pensions.

He also presented petitions, numerous signed, by sundry citizens of Rice County, Kans., praying for the passage of legislation amending the national prohibition act so as to provide a fine and jail sentence for each offense, particularly for the manufacture or sale of intoxicating liquors, also that the clause regarding transportation and possession be strengthened, which were referred to the Committee on the Judiciary.

Mr. GREENE presented the following joint resolution of the Legislature of the State of Vermont, which was referred to the Committee on Immigration:

Whereas the prosperity of our State depends largely upon the prosperity of our agricultural interests, and

Whereas it is apparent that there is in Vermont a scarcity of common laborers, and especially those versed and experienced in agriculture, and

Whereas the Commissioner General of Immigration of the United States, the Hon. Walter W. Husband, believes that a modification of the present immigration laws would make it possible for Vermont to secure a large number of desirable North Europeans who are versed and experienced in agriculture: Therefore be it

Resolved by the senate and house of representatives, That we are desirous of legislation on the part of Congress which will benefit all Vermont industries, and especially our agricultural interests, and secure for its various industries an influx of desirable immigrants, and we urge our Senators and Representatives to use their influence in favor of such legislation. And be it further

Resolved, That a copy of this resolution be forwarded to our Senators and Representatives in Congress.

ROSSELL M. AUSTIN,

Speaker of the House of Representatives.

W. K. FARNSWORTH,

President of the Senate.

Approved March 19, 1925.

FRANKLIN S. BILLINGS, *Governor.*

STATE OF VERMONT,
OFFICE OF THE SECRETARY OF STATE.

I hereby certify that the foregoing is a true copy of joint resolution relating to immigration approved March 19, 1925.

In testimony whereof I have hereunto set my hand and affixed my official seal, at Montpelier, this 25th day of March, A. D. 1925.

[SEAL]

AARON H. GRANT,

Secretary of State.

REGULATION OF AIRCRAFT IN COMMERCE

Mr. BINGHAM. From the Committee on Commerce I report back favorably with an amendment the bill (S. 41) to encourage and regulate the use of aircraft in commerce, and for other purposes, and I submit a report (No. 2) thereon. I desire to give notice at this time that I shall ask for the consideration of the bill at the earliest public opportunity.

The VICE PRESIDENT. The bill will be placed on the calendar.

FUNERAL EXPENSES OF DECEASED SENATORS

Mr. KEYES. Mr. President, from the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment four resolutions covering the payment of the funeral expenses of the late Senator La Follette, the late Senator Ralston, the late Senator Spencer, and the late Senator Ladd. I ask unanimous consent for their immediate consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The resolution (S. Res. 62) submitted by Mr. LENROOT on the 8th instant was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of the Hon. Robert M. La Follette, late a Senator from the State of Wisconsin, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution (S. Res. 63) submitted by Mr. WATSON on the 8th instant was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of the Hon. Samuel M. Ralston, late a Senator from the State of Indiana, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution (S. Res. 65) submitted by Mr. REED of Missouri on the 8th instant was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of the Hon. Selden P. Spencer, late a Senator from the State of Missouri, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution (S. Res. 58) submitted by Mr. FRAZIER on the 8th instant was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of the Hon. Edwin F. Ladd, late a Senator from the State of North Dakota, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Alice N. KELLER

Mr. KEYES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment the resolution (S. Res. 54), submitted by Mr. CURTIS on the 8th instant, and I ask unanimous consent for its immediate consideration.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Alice N. Keller, widow of Thomas W. Keller, the late Acting Assistant Doorkeeper of the Senate, one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

EVERETT H. MCLENAHAN

Mr. KEYES. From the same committee I report back favorably without amendment the resolution (S. Res. 83) submitted by Mr. STANFIELD on the 10th instant, and I ask unanimous consent for its immediate consideration.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay, from the contingent fund of the Senate, to Everett H. McClenahan, son of Robert U. McClenahan, late a messenger of the Senate, under supervision of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

ADDITIONAL TELEPHONE OPERATORS

Mr. KEYES. From the same committee I report back favorably without amendment the resolution (S. Res. 67) submitted by myself on the 8th instant, and I ask unanimous consent for its present consideration.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Sergeant at Arms of the Senate hereby is authorized and directed to employ during the first session of the Sixty-ninth Congress two telephone operators to be paid from the contingent fund of the Senate at the rate of \$1,200 per annum.

HEARINGS BEFORE THE COMMITTEE ON APPROPRIATIONS

Mr. KEYES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment the resolution (S. Res. 55), submitted by Mr. WARREN on the 8th instant, and I ask for its present consideration. The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Appropriations, or any subcommittee thereof, is authorized, during the Sixty-ninth Congress, to send for persons, books, and papers, to administer oaths, and to employ a

stenographer at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON MINES AND MINING

Mr. KEYES, from the same committee, reported back favorably without amendment the resolution (S. Res. 56) submitted by Mr. ODDIE on the 8th instant, and it was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Mines and Mining, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-ninth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON FINANCE

Mr. KEYES, from the same committee, reported back favorably without amendment the resolution (S. Res. 61) submitted by Mr. SMOOR on the 8th instant, and it was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Finance, or any subcommittee thereof, be, and hereby is, authorized to sit during the sessions or recesses of the Sixty-ninth Congress at such times and places as they may deem advisable; to make investigations into internal revenue, customs, currency, and coinage matters, and other matters within its jurisdiction, and to compile and prepare statistics and documents relating thereto as directed from time to time by the Senate and as may be necessary; and to report from time to time to the Senate the result thereof; to send for persons, books, and papers, to administer oaths, and to employ such expert, stenographic, clerical, and other assistance as may be necessary; and all of the expenses of such committee shall be paid from the contingent fund of the Senate; and the committee is authorized to order such printing and binding as may be necessary for its use.

HEARINGS BEFORE THE COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. KEYES, from the same committee, reported back favorably without amendment the resolution (S. Res. 64) submitted by Mr. NORRIS on the 8th instant, and it was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Agriculture and Forestry, or any subcommittee thereof, is authorized during the Sixty-ninth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

HEARINGS BEFORE THE COMMITTEE ON FOREIGN RELATIONS

Mr. KEYES, from the same committee, reported back favorably without amendment the resolution (S. Res. 75) submitted by Mr. BORAH on the 10th instant, and it was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Foreign Relations, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-ninth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON CLAIMS

Mr. KEYES, from the same committee, reported back favorably without amendment the resolution (S. Res. 79) submitted by Mr. MEANS on the 10th instant, and it was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Claims, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-ninth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee or any subcommittee thereof may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON CIVIL SERVICE

Mr. KEYES, from the same committee, reported back favorably without amendment the resolution (S. Res. 81) submitted by Mr. COUZENS on the 10th instant, and it was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Civil Service, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-ninth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE THE COMMITTEE ON BANKING AND CURRENCY

Mr. KEYES, from the same committee, reported back favorably without amendment the resolution (S. Res. 85) submitted by Mr. McLEAN on the 10th instant, and it was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Banking and Currency, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-ninth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not to exceed 25 cents per 100 words, to report such hearings as may be had in connection with any subject that may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McKELLAR:

A bill (S. 1335) authorizing the President of the United States to appoint Sergt. Alvin C. York as a captain in the United States Army and then place him on the retired list;

A bill (S. 1336) for the relief of Martin A. Hayes; and

A bill (S. 1337) for the relief of Robert C. Wilcox; to the Committee on Military Affairs.

A bill (S. 1338) for the relief of the Hunter-Brown Co.;

A bill (S. 1339) for the relief of Katherine Southerland;

A bill (S. 1340) for the relief of W. K. Ellis;

A bill (S. 1341) for the relief of John Plumlee, administrator of the estate of G. W. Plumlee, deceased; and

A bill (S. 1342) for the relief of the city of Bristol, Tenn.; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 1343) for the relief of soldiers who were discharged from the Army during the World War because of misrepresentation of age; to the Committee on Military Affairs.

A bill (S. 1344) to amend paragraph (11), section 20, of the interstate commerce act; to the Committee on Commerce.

A bill (S. 1345) for a commission to study the questions of land settlement and home ownership in the United States; to the Committee on Public Lands and Surveys.

A bill (S. 1346) authorizing and directing the Director of the Census to collect and publish statistics of marriage and divorce; to the Committee on the Judiciary.

A bill (S. 1347) authorizing the Secretary of Agriculture to formulate and recommend standard weights and standard methods of wrapping, packing, and tying cotton bales, and for other purposes; to the Committee on Agriculture and Forestry.

A bill (S. 1348) for the relief of William R. Bailey and Charles G. Dobbins;

A bill (S. 1349) for the relief of the Eagle Pass Lumber Co., of Eagle Pass, Tex.;

A bill (S. 1350) for the relief of C. N. Markle;

A bill (S. 1351) for the relief of Wynona A. Dixon;

A bill (S. 1352) for the relief of J. Block & Co.;

A bill (S. 1353) for the relief of D. W. Fidler, Liberty-loan subscriber of the National Bank of Cleburne, Tex.;

A bill (S. 1354) for the relief of Josephine Rollingson;

A bill (S. 1355) for the relief of J. J. Redmond and J. R. McNutt; and

A bill (S. 1356) for the relief of R. H. King (with accompanying papers); to the Committee on Claims.

By Mr. WILLIS:

A bill (S. 1357) granting an increase of pension to Joanna Swander (with accompanying papers);

A bill (S. 1358) granting a pension to Sarah E. Butler (with accompanying papers); and

A bill (S. 1359) granting a pension to Sarah Effie Zane (with accompanying papers); to the Committee on Pensions.

By Mr. FERRIS:

A bill (S. 1360) for the relief of the estate of William P. Nisbett, sr., deceased; to the Committee on Post Offices and Post Roads.

By Mr. BRUCE:

A bill (S. 1361) for the relief of the Maryland Casualty Co., the United States Fidelity & Guaranty Co., of Baltimore, Md., and the Fidelity & Deposit Co. of Maryland; to the Committee on Claims.

A bill (S. 1362) to provide for the appointment of Lieut. Thomas Wade Mather, United States Navy, as a lieutenant in the Corps of Civil Engineers, United States Navy, as an additional number, with his present rank, pay, and precedence; to the Committee on Naval Affairs; and

A bill (S. 1363) providing for the men who served with the American expeditionary forces in Europe as Engineer field clerks the status of Army field clerk and field clerk, Quartermaster Corps of the United States Army, when honorably discharged (with accompanying papers); to the Committee on Military Affairs.

By Mr. DILL:

A bill (S. 1364) granting an increase of pension to James T. Young; and

A bill (S. 1365) granting a pension to C. L. Ford; to the Committee on Pensions.

By Mr. ROBINSON of Arkansas:

A bill (S. 1366) granting an increase of pension to George W. Robinson; and

A bill (S. 1367) granting a pension to Laura I. Robinson; to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 1368) for the relief of Levi B. Rouse; and

A bill (S. 1369) for the relief of Vincent Rutherford; to the Committee on Military Affairs.

A bill (S. 1370) granting a pension to Harmon Everett Meacham;

A bill (S. 1371) granting an increase of pension to Mrs. Sydney Skidmore;

A bill (S. 1372) granting an increase of pension to Frank Baldwin Norris;

A bill (S. 1373) granting an increase of pension to Albert M. Ryan;

A bill (S. 1374) granting an increase of pension to Pedro B. de G. Fernandez;

A bill (S. 1375) granting an increase of pension to Rebecca C. Cotton;

A bill (S. 1376) granting a pension to Clara Morilon;

A bill (S. 1377) granting a pension to Wilbert E. Parsons;

A bill (S. 1378) granting a pension to Edith Taylor Moore;

A bill (S. 1379) granting an increase of pension to Hannah E. Russell (with accompanying papers); and

A bill (S. 1380) granting a pension to Adam McCollum (with accompanying papers); to the Committee on Pensions.

A bill (S. 1381) for the relief of William O. Cutcliffe; to the Committee on Claims.

A bill (S. 1382) to provide for the construction of 10 vessels for the Coast Guard;

A bill (S. 1383) to transfer from the Department of Commerce to the Department of Labor the duty and power to enforce so much of the navigation laws and laws governing the Steamboat Inspection Service as relate to persons employed in seafaring occupations, and for other purposes (with accompanying papers);

A bill (S. 1384) to amend and supplement the merchant marine act, 1920, the shipping act, 1916, and for other purposes; to the Committee on Commerce; and

A bill (S. 1385) to provide for causes of action arising out of Federal control and operation of telegraph and telephone systems during the war, and for other purposes; to the Committee on Interstate Commerce.

By Mr. ASHURST:

A bill (S. 1386) granting a pension to William H. Hatcher;

A bill (S. 1387) for the relief of John B. Evans;

A bill (S. 1388) granting an increase of pension to Joseph D. Canell;

A bill (S. 1389) granting an increase of pension to Howard E. Baues;

A bill (S. 1390) granting a pension to Frank Hall;

A bill (S. 1391) granting an increase of pension to Thomas Fletcher Lancaster;

A bill (S. 1392) granting an increase of pension to Walter L. Hammond;

A bill (S. 1393) granting an increase of pension to Alice I. Simpson;

A bill (S. 1394) granting a pension to Thomas N. East;

A bill (S. 1395) granting a pension to Thomas McSherry;

A bill (S. 1396) granting an increase of pension to Richmond Bridges;

A bill (S. 1397) granting a pension to Alfred Haught;

A bill (S. 1398) granting a pension to Ross W. Brooks; and

A bill (S. 1399) granting an increase of pension to John H. Burke (with accompanying papers); to the Committee on Pensions.

A bill (S. 1400) to provide for the erection of a public building at Prescott, in the State of Arizona;

A bill (S. 1401) providing for the erection and completion of public building at Tucson, Ariz.; and

A bill (S. 1402) authorizing the paving of the Federal strip known as International Street, adjacent to Nogales, Ariz.; to the Committee on Public Buildings and Grounds.

A bill (S. 1403) for the relief of William Wooster; and

A bill (S. 1404) for the relief of Jesse A. Frost; to the Committee on Claims.

A bill (S. 1405) making an appropriation for the construction of roads and bridges on the north approach to and within the Petrified Forest National Monument, Ariz.; to the Committee on Appropriations.

A bill (S. 1406) to establish a fish-hatching and fish-cultural station in the State of Arizona; to the Committee on Commerce.

A bill (S. 1407) for the relief of Alfred Cluff and certain other settlers at Forestdale, Apache County, Ariz., who were evicted from their homes by reason of a change in the location of the north boundary of the White Mountain or San Carlos Apache Indian Reservation; and

A bill (S. 1408) to authorize appropriations for the survey, construction, and maintenance of highways on or adjacent to untaxed Indian lands; to the Committee on Indian Affairs.

A bill (S. 1409) for the establishment and maintenance of a forest experiment station in Arizona; and

A bill (S. 1410) to establish an agricultural experiment station at Fort Mohave, in the county of Mohave, Ariz.; to the Committee on Agriculture and Forestry.

A bill (S. 1411) authorizing a right of way for the transportation of water for improvement of grazing and development of the livestock industry upon public and national forest lands in Arizona; and

A bill (S. 1412) to appropriate \$200,000 for the survey of public lands in Arizona; to the Committee on Public Lands and Surveys.

A bill (S. 1413) for the relief of Eustacio B. Davison; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 1414) providing for the acquisition of a site and the erection thereon of a public building at Lake Wales, Fla.; and

A bill (S. 1415) authorizing and directing the Secretary of the Treasury to immediately reconvey to Charles Murray, sr., and Sarah A. Murray his wife, of De Funiak Springs, Fla., the title to lots 820, 821, and 822 in the town of De Funiak Springs, according to the map of Lake De Funiak drawn by W. J. Vankirk; to the Committee on Public Buildings and Grounds.

A bill (S. 1416) to amend subdivision (a) of section 4 of an act entitled "An act to limit the immigration of aliens into the United States, and for other purposes," approved May 26, 1924; to the Committee on Immigration.

A bill (S. 1417) granting an increase of pension to Sophronia Richard; and

A bill (S. 1418) granting a pension to Ellen F. Marston; to the Committee on Pensions.

By Mr. OVERMAN:

A bill (S. 1419) granting a pension to James B. Walters; to the Committee on Pensions.

By Mr. LENROOT:

A bill (S. 1420) authorizing the Secretary of War to cause a preliminary examination and survey of Port Washington Harbor, in the State of Wisconsin; to the Committee on Commerce.

A bill (S. 1421) to correct the military record of John F. Monroe; to the Committee on Military Affairs.

By Mr. PINE:

A bill (S. 1422) for the purchase of a site and erection thereon of a public building at Okmulgee, in the State of Oklahoma; to the Committee on Public Buildings and Grounds.

By Mr. HARRISON:

A bill (S. 1423) to relinquish the title of the United States to the land in the donation claim of the heirs of J. B.

Baudreau situate in the county of Jackson, State of Mississippi; to the Committee on Public Lands and Surveys.

A bill (S. 1424) for the relief of John G. Sessions;

A bill (S. 1425) for the relief of the legal representative of the estate of Haller Nutt, deceased; and

A bill (S. 1426) for the relief of James Francis McDonald and Sarah Elizabeth McDonald; to the Committee on Claims.

By Mr. BORAH:

A bill (S. 1427) to protect persons in the exercise of certain privileges and immunities guaranteed and secured by the Constitution of the United States; and

A bill (S. 1428) to regulate the practice and fix the fees of agents, attorneys, and other persons representing claimants, under the act of October 6, 1917; to the Committee on the Judiciary.

By Mr. CAPPER:

A bill (S. 1429) to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by the public-buildings appropriation act approved March 4, 1913, for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park;

A bill (S. 1430) to establish a board of public welfare in and for the District of Columbia, to determine its functions, and for other purposes; and

A bill (S. 1431) to provide a complete code of insurance law for the District of Columbia (excepting marine insurance as now provided for by the act of March 4, 1922, and fraternal and benevolent insurance associations or orders as provided for by the act of March 3, 1901), and for other purposes; to the Committee on the District of Columbia.

A bill (S. 1432) granting an increase of pension to Mary A. Van Buskirk (with an accompanying paper);

A bill (S. 1433) granting an increase of pension to Sarah S. Vaughan (with an accompanying paper);

A bill (S. 1434) granting an increase of pension to Alice Wright (with an accompanying paper);

A bill (S. 1435) granting a pension to Martha Ann Cook (with an accompanying paper);

A bill (S. 1436) granting a pension to Edwin R. Smith;

A bill (S. 1437) granting an increase of pension to George E. Ryan (with an accompanying paper);

A bill (S. 1438) granting a pension to Kate D. Winslow (with an accompanying paper);

A bill (S. 1439) granting an increase of pension to Carrie M. Fuller (with an accompanying paper);

A bill (S. 1440) granting an increase of pension to Laura E. Franklin (with an accompanying paper);

A bill (S. 1441) granting a pension to Isabel Smith (with an accompanying paper);

A bill (S. 1442) granting an increase of pension to Mariah E. Baxter (with an accompanying paper);

A bill (S. 1443) granting an increase of pension to Katharine Fenlon Rivers;

A bill (S. 1444) granting a pension to Susan Bishop (with accompanying papers);

A bill (S. 1445) granting an increase of pension of Eliza J. Brady (with accompanying papers);

A bill (S. 1446) granting a pension to Kate Lamaster (with an accompanying paper); and

A bill (S. 1447) granting a pension to William McClure; to the Committee on Pensions.

A bill (S. 1448) to clarify the law, to promote equality thereunder, to encourage competition in production and quality, to prevent injury to good will, and to protect trade-mark owners, distributors, and the public against injurious and uneconomic practices in the distribution of articles of standard quality under a distinguishing trade-mark, name, or brand; to the Committee on Interstate Commerce.

A bill (S. 1449) for the relief of A. B. Ewing;

A bill (S. 1450) for the relief of the estate of John Stewart, deceased;

A bill (S. 1451) for the relief of William Hensley;

A bill (S. 1452) to carry into effect the findings of the Court of Claims in the case of William W. Danenhower;

A bill (S. 1453) for the relief of Frank Topping and others;

A bill (S. 1454) for the relief of H. E. Spoonemore;

A bill (S. 1455) for the relief of A. F. Jontz;

A bill (S. 1456) authorizing the Court of Claims of the United States to hear and determine the claim of H. C. Ericsson;

A bill (S. 1457) for the relief of Charles A. Davenport; and

A bill (S. 1458) to extend the benefits of the United States employees' compensation act of September 7, 1916, to Richard F. Pellett; to the Committee on Claims.

A bill (S. 1459) for the relief of Waller V. Gibson; to the Committee on Military Affairs.

A bill (S. 1460) for the relief of John H. Moore; to the Committee on Civil Service; and

A bill (S. 1461) for the relief of Alonzo L. Callihan (with accompanying papers); to the Committee on Finance.

By Mr. WARREN:

A bill (S. 1462) permitting Leo Sheep Co., of Rawlins, Wyo., to convey certain lands to the United States and to select other lands in lieu thereof in Carbon County, Wyo., for the improvement of the Medicine Bow National Forest (with accompanying papers); to the Committee on Public Lands and Surveys.

By Mr. NEELY:

A bill (S. 1463) to provide relief for the victims of the airplane accident at Langin Field; to the Committee on Claims.

A bill (S. 1464) for the relief of Joseph C. Holley; to the Committee on Post Offices and Post Roads.

A bill (S. 1465) granting an increase of pension to Arabella Shanley;

A bill (S. 1466) granting a pension to Leslie Harding;

A bill (S. 1467) granting an increase of pension to John T. Roseberry; and

A bill (S. 1468) granting a pension to Charles Adkins; to the Committee on Pensions.

By Mr. BUTLER:

A bill (S. 1469) granting a pension to James Broderick; to the Committee on Pensions.

By Mr. FRAZIER:

A bill (S. 1470) for the relief of William Lentz; to the Committee on Military Affairs.

A bill (S. 1471) granting an increase of pension to Ninette M. Lowater; to the Committee on Pensions.

A bill (S. 1472) to provide for the establishment of a dairying and livestock experiment station at Mandan, N. Dak.; to the Committee on Agriculture and Forestry.

By Mr. REED of Pennsylvania:

A bill (S. 1473) granting permission to certain officers and men of the military forces of the United States to accept various decorations bestowed in recognition of services to the allied cause; and

A bill (S. 1474) for the promotion of certain officers of the United States Army now on the retired list; to the Committee on Military Affairs.

A bill (S. 1475) amending section 1 of the act of March 3, 1893 (27 Stat. L. 751), providing for the method of selling real estate under an order or decree of any United States court; to the Committee on the Judiciary.

A bill (S. 1476) authorizing the construction of a bridge across the Ohio River between the municipalities of Rochester and Monaca, Beaver County, Pa.; to the Committee on Commerce.

By Mr. WADSWORTH:

A bill (S. 1477) to designate a building site for the National Conservatory of Music of America, and for other purposes; to the Committee on Public Buildings and Grounds.

A bill (S. 1478) to authorize the transfer of the title to and jurisdiction over the right of way of the new Dixie Highway to the State of Kentucky;

A bill (S. 1479) to amend section 27 of the national defense act as amended by the act of June 4, 1920;

A bill (S. 1480) to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the Governments of the Latin-American Republics in military and naval matters;

A bill (S. 1481) to authorize the President to appoint Capt. Curtis L. Stafford a captain of Cavalry in the Regular Army;

A bill (S. 1482) to authorize the Secretary of War to grant easements in and upon public military reservations and other lands under his control;

A bill (S. 1483) to amend section 50½ and section 70 of the Articles of War;

A bill (S. 1484) to amend section 1, act of March 4, 1909 (sundry civil act), so as to make the Chief of Finance of the Army a member of the Board of Commissioners of the United States Soldiers' Home;

A bill (S. 1485) to authorize disbursing officers of the Army, Navy, and Marine Corps to designate deputies;

A bill (S. 1486) to authorize the Secretary of War to lease to the Bush Terminal Railroad Co. and to the Long Island Railroad use of railway tracks at Army supply base, South Brooklyn, N. Y.;

A bill (S. 1487) to authorize the Secretary of War to class as secret certain apparatus pertaining to the Signal Corps, Air

Service, and Chemical Warfare Service, and empower him to authorize purchases thereof and award contracts therefor without notice or advertisement; and

A bill (S. 1488) relating to the use of the roads leading from the bridges across the Potomac River to Arlington National Cemetery and to Fort Myer, Va.; to the Committee on Military Affairs.

A bill (S. 1489) to punish counterfeiting of Government transportation requests (with accompanying papers); and

A bill (S. 1490) to provide for the appointment of an additional judge of the District Court of the United States for the Western District of New York; to the Committee on the Judiciary.

By Mr. SWANSON:

A bill (S. 1491) for the relief of Claude S. Betts; to the Committee on Naval Affairs.

A bill (S. 1492) to recognize the military war services of adjutants general and United States property and disbursing officers as Federal military war duty during war period, April 6, 1917, to November 11, 1918, and to issue suitable testimonial of appreciation and recognition to members and former members of district and local draft boards, medical and legal advisory boards, and Government appeals agents for their services during war period, and to consider additional recommendations for awards and citations to former officers and enlisted men of the National Guard on account of World War services; and

A bill (S. 1493) to provide for the inspection of the battle fields and surrender grounds in and around old Appomattox Court House, Va.; to the Committee on Military Affairs.

A bill (S. 1494) providing for the cession to the State of Virginia of sovereignty over a tract of land located at Battery Cove, near Alexandria, Va., and for the conveyance thereof by the Secretary of the Treasury; to the Committee on Public Lands and Surveys.

A bill (S. 1495) for the improvement of channel connecting the deep waters in James River with Hampton Roads, Va., and for the modification of the existing project for the improvement of said channel; to the Committee on Commerce.

A bill (S. 1496) to authorize the Commissioner of Patents to investigate the extension of a patent issued to Ernest W. Ladd, Hunter Arnold, William H. Rohrer, Harry L. Wheatley, B. M. Quinn, and Thomas J. Farrar; to the Committee on Patents.

A bill (S. 1497) for the construction of a public building at Culpeper, Va.;

A bill (S. 1498) to authorize the acquisition of a site and the erection thereon of a Federal building at Boykin, Va.;

A bill (S. 1499) to purchase a site for the erection of a post-office building in the city of Norfolk, Va.; and

A bill (S. 1500) to provide for the erection of a post-office and customhouse building at Cape Charles, Va.; to the Committee on Public Buildings and Grounds.

A bill (S. 1501) granting a pension to Frederick L. Eagle;

A bill (S. 1502) granting a pension to Mary Fitchett;

A bill (S. 1503) granting a pension to Mary L. Ford;

A bill (S. 1504) granting a pension to Maggie Robinson;

A bill (S. 1505) granting a pension to Edith Bolling Wilson;

A bill (S. 1506) granting a pension to Mary A. Kane;

A bill (S. 1507) granting an increase of pension to George W. Elder;

A bill (S. 1508) granting a pension to H. W. Judd;

A bill (S. 1509) granting an increase of pension to Clare D. Fielding; and

A bill (S. 1510) granting a pension to Mathew Peterschell; to the Committee on Pensions.

A bill (S. 1511) for the relief of Mrs. W. H. ReMine;

A bill (S. 1512) for the relief of Simon R. Curtis;

A bill (S. 1513) for the relief of B. Jackson;

A bill (S. 1514) to extend the benefits of the employees' compensation act of September 7, 1916, to Thomas T. Grimsley;

A bill (S. 1515) to extend the benefits of the employees' compensation act of September 7, 1916, to Daniel S. Glover;

A bill (S. 1516) for the relief of Frank L. Smith;

A bill (S. 1517) authorizing and directing the Secretary of the Treasury to pay to W. Z. Swift, of Louisa County, Va., the insurance due on account of the policy held by Harold Rogis;

A bill (S. 1518) to extend the benefits of the employees' compensation act of September 7, 1916, to Otis Dodson;

A bill (S. 1519) for the relief of the P. Dougherty Co.;

A bill (S. 1520) for the relief of Isabelle R. Damron, postmaster at Clintwood, Va.;

A bill (S. 1521) for the relief of Henry Kirn;

A bill (S. 1522) to extend the benefits of the employees' compensation act of September 7, 1916, to Harry Simpson;

A bill (S. 1523) for the relief of the Northern Transportation Co.;

A bill (S. 1524) for the relief of Louis A. Hogue;

A bill (S. 1525) to extend the benefits of the employees' compensation act of September 7, 1916, to James Robert Allen;

A bill (S. 1526) for the relief of Hyter Myers;

A bill (S. 1527) for the relief of G. T. and W. B. Hastings, partners, trading as Hastings Bros.;

A bill (S. 1528) for the relief of the Norfolk Dredging Co.;

A bill (S. 1529) for the relief of D. O. Clements;

A bill (S. 1530) for the relief of J. W. Hogg; and

A bill (S. 1531) for the relief of the heirs of George E. Taylor, deceased; to the Committee on Claims.

By Mr. HALE:

A bill (S. 1532) granting a pension to Mattie E. Beale (with accompanying papers); to the Committee on Pensions.

By Mr. CAMERON:

A bill (S. 1533) to provide for the appointment of a leader of the Army Music School; to the Committee on Military Affairs.

By Mr. ERNST:

A bill (S. 1534) granting an increase of pension to Mary E. Dobyns;

A bill (S. 1535) granting a pension to Fannie Compton (with accompanying papers);

A bill (S. 1536) granting a pension to Joseph S. Bishop (with accompanying papers);

A bill (S. 1537) granting a pension to Ashley Peak;

A bill (S. 1538) granting a pension to Minerva Hill; and

A bill (S. 1539) granting an increase of pension to Jessie D. Rue; to the Committee on Pensions.

A bill (S. 1540) to amend an act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1884, and for other purposes"; to the Committee on Appropriations.

By Mr. MOSES:

A bill (S. 1541) granting an increase of pension to Lillian S. Coburn; to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 1542) granting a pension to Ellen Murray (with accompanying papers); to the Committee on Pensions.

A bill (S. 1543) granting privilege of the floor and right to participate in debate to heads of executive departments and other officers; to the Committee on the Judiciary.

A bill (S. 1544) to amend section 202 of the act of Congress approved March 4, 1923, known as the agricultural credits act of 1923; and

A bill (S. 1545) to amend section 5147 of the Revised Statutes; to the Committee on Banking and Currency.

By Mr. GERRY:

A bill (S. 1546) for the relief of John H. Barrett and Ada H. Barrett; to the Committee on Claims.

By Mr. FRAZIER:

A joint resolution (S. J. Res. 21) to provide for venue of suits against the United States Grain Corporation; to the Committee on the Judiciary.

By Mr. NEELY:

A joint resolution (S. J. Res. 22) declaring December 28 a legal public holiday, to be known as Woodrow Wilson's birthday; to the Committee on the Judiciary.

By Mr. ASHURST:

A joint resolution (S. J. Res. 23) to furnish the daily CONGRESSIONAL RECORD to posts of the American Legion, the Disabled American Veterans of the World War, the Veterans of Foreign Wars, and to camps of the United Spanish War Veterans; to the Committee on Printing.

By Mr. SWANSON:

A joint resolution (S. J. Res. 24) for the appointment of Harry H. Holt, of Virginia, as member of the Board of Managers of the National Home for Disabled Volunteer Soldiers; to the Committee on Military Affairs.

By Mr. WADSWORTH:

A joint resolution (S. J. Res. 25) authorizing the Secretary of War to receive, for instruction at the United States Military Academy at West Point, two Siamese subjects, to be designated hereafter by the Government of Siam; to the Committee on Military Affairs.

NONQUOTA IMMIGRANTS

Mr. FLETCHER. I introduce a bill to amend subdivision (a) of section 4 of an act entitled "An act to limit the immigration of aliens into the United States, and for other purposes," approved May 26, 1924, and ask that it be read at length.

The bill (S. 1416) to amend subdivision (a) of section 4 of an act entitled "An act to limit the immigration of aliens into the United States, and for other purposes," approved May 26,

1924, was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That subdivision (a) of section 4 of an act entitled "An act to limit the immigration of aliens into the United States and for other purposes," approved May 26, 1924, be, and the same is hereby, amended to read:

"NONQUOTA IMMIGRANTS"

"Sec. 4. When used in this act the term 'nonquota immigrant' means—

"(a) An immigrant who is the dependent widowed mother over 50 years of age, or the dependent father or the dependent mother over 60 years of age, or the wife, or the unmarried child under 18 years of age, of a citizen of the United States who resides therein at the time of the filing of a petition under section 9."

Mr. FLETCHER. Mr. President, the present law provides that as to relatives only the unmarried child under 18 years of age, or the wife, of a citizen of the United States shall be admitted to this country as "nonquota immigrants."

My proposed amendment would also permit the admission of dependent widowed mothers over 50 years of age and dependent fathers and mothers over 60 years of age.

The law provides further that in the issuance of immigration visas to "quota immigrants" preference shall be given "to a quota immigrant who is the unmarried child under 21 years of age, the father, the mother, the husband, or the wife, of a citizen of the United States who is 21 years of age or over."

My proposed amendment would not change the existing law except to place dependent widowed mothers over 50 years of age and dependent fathers and mothers over 60 years of age in the "nonquota class."

The law requiring immigrants to obtain passports from the government to which they owe allegiance, and make application for their visa to the nearest American consul, and comply with all other provisions of law would remain the same as now. The burden of proof would be on every alien to establish that he or she is not subject to exclusion under any provision of law, and American citizens would be required to furnish a satisfactory bond that their relatives would not become public charges. Furthermore, should such aliens become undesirable they may be deported, and I favor deporting all undesirable aliens.

It occurs to me that from a humanitarian standpoint the law should be amended as I have proposed; and I believe that the amendment will be agreed to by the Congress.

Surely no Christian citizen would object to the reuniting of immediate members of the families of worthy naturalized American citizens.

I move that the bill be referred to the Committee on Immigration.

The motion was agreed to.

AMENDMENTS TO TAX REDUCTION BILL

Mr. FLETCHER submitted five amendments intended to be proposed by him to the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

CHANGE OF REFERENCE

Mr. CUMMINS. Mr. President, on Tuesday last I introduced a bill (S. 476) to provide for the temporary detail of commissioned officers and enlisted men of the Army, Navy, and Marine Corps, and for other purposes. The bill was referred to the Committee on the Judiciary, but it should have been referred to the Committee on Military Affairs, and I now move that the Committee on the Judiciary be discharged from the further consideration of the bill and that it be referred to the Committee on Military Affairs.

The VICE PRESIDENT. Without objection, the change of reference will be made.

TRANSFER OF MERCHANT SHIPS TO WAR DEPARTMENT

Mr. JONES of Washington. I submit a Senate resolution and ask that it may be read.

The resolution (S. Res. 86) was read, as follows:

Whereas the United States Shipping Board through the Admiral Oriental Line is operating five of its best combination freight and passenger ships on a route between Puget Sound and the Orient with regular sailings, and

Whereas it is highly important to our commercial development in the Orient that the operation of this line shall be contained unimpaired at least until it is demonstrated that it can not be made profitable, and

Whereas the Budget Office has made a demand upon the United States Shipping Board to turn over two of said five ships to the War Department for use as transports, and

Whereas such action, if taken, will greatly impair, if not wholly destroy, the commercial usefulness of said route, and

Whereas such action should not be taken except for most impelling reasons: Now therefore be it

Resolved, That the Secretary of War be, and he is hereby, directed to give to the Senate the facts and the reasons upon which the United States Shipping Board has been requested to turn over to the War Department for use as Army transports two of the combination freight and passenger ships now being operated between Puget Sound and the Orient by the Admiral Oriental Line.

Mr. JONES of Washington. Mr. President, I have written to the department of the Government interested in the subject matter of the resolution for the information called for, and it may be that I shall obtain the information in that way. So I ask that the resolution may lie on the table.

Mr. FLETCHER. I have no objection to the resolution taking that course. I think we ought to obtain the facts, however, in some way.

Mr. JONES of Washington. I have asked for the facts, and if I get them from the department I shall be glad to submit them to the Senate.

Mr. FLETCHER. I should like to know about it, because if the Shipping Board is going to give away all the merchant ships we might as well turn some of them over to the War Department, but, on the other hand, I am not in favor of giving them away.

Mr. JONES of Washington. Neither am I.

The VICE PRESIDENT. The resolution will lie on the table.

CLARA FISER LUDS AND OTHERS

Mr. CAPPER submitted the following resolution (S. Res. 87), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Clara Piser Ludes and Pauline Piser Merritt, sisters, and John Piser, brother, of Amy R. Piser, late assistant clerk to the Committee on the District of Columbia, six months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered as including funeral expenses and all other allowances.

HOUSE JOINT AND CONCURRENT RESOLUTIONS REFERRED

The joint resolution (H. J. Res. 67) authorizing payment of salaries of the officers and employees of Congress for December, 1925, on the 19th day of that month was read twice by its title and referred to the Committee on Appropriations.

The concurrent resolution (H. Con. Res. 3) providing for the adjournment of the two Houses from Tuesday, December 22, 1925, to Monday, January 4, 1926, was referred to the Committee on Appropriations.

PROPOSED MODIFICATION OF VOLSTEAD ACT

The VICE PRESIDENT. Morning business is closed.

Mr. EDGE. I wish to announce at this time that at the conclusion of morning business to-morrow, Tuesday, I desire to address the Senate on the very important subject of the modification of the Volstead Act.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 15 minutes spent in executive session the doors were reopened, and (at 12 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, December 15, 1925, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 14, 1925

SOLICITOR GENERAL, DEPARTMENT OF JUSTICE

William D. Mitchell to be Solicitor General.

ASSISTANT ATTORNEY GENERALS

John Marshall to be Assistant Attorney General.

Charles D. Lawrence to be Assistant Attorney General, Customs Division.

Oscar R. Luhring to be Assistant Attorney General.

UNITED STATES CIRCUIT JUDGE

John J. Parker to be United States circuit judge, fourth circuit.

UNITED STATES DISTRICT JUDGE

Merrill E. Otis to be United States district judge, western district of Missouri.

UNITED STATES DISTRICT ATTORNEYS

George J. Hatfield, northern district of California.

Wayne G. Borah, eastern district of Louisiana.

William A. DeGroot, eastern district of New York.

George W. Coles, eastern district of Pennsylvania.

Andrew B. Dunsmore, middle district of Pennsylvania.

UNITED STATES MARSHALS

Irvin M. Lieser, Canal Zone.

Charles Kloster, northern district of Iowa.

William J. Keville, Massachusetts.

Alfred J. Chretien, New Hampshire.

Frederick C. Schneider, New Jersey.

Ewers White, western district of Oklahoma.

W. Frank Mathues, eastern district of Pennsylvania.

John H. Glass, middle district of Pennsylvania.

James E. Harris, western district of Wisconsin.

POSTMASTERS

COLORADO

Frank M. Shedd, Aurora.

Melissa H. Hayden, Breckenridge.

Ralph W. Bidwell, Briggsdale.

Hal Parmeter, Byers.

Edgar A. Buckley, Crook.

George W. Hefflin, De Beque.

John H. McDevitt, jr., Durango.

May D. Thomas, Eagle.

Edward L. Boillot, Fort Morgan.

Robert E. Taylor, Grover.

Clarence E. Wright, Lake City.

John H. Cunningham, Loveland.

Chester L. Snyder, New Raymer.

Sylvester E. Hobart, Nunn.

Reno H. Auld, Otis.

Siegfried Salomon, Platteville.

Elia B. Montgomery, Salida.

James Donaldson, Sopris.

Leona E. Backus, Two Buttes.

Samuel Coen, Walden.

Hubbard I. Boyd, Weldona.

Vernet A. Kauffman, West Portal.

GEORGIA

Eldon A. McCollum, Baconton.

Acquilla M. Warnock, Brooklet.

Roxie B. Goza, Chamblee.

Rolland H. Freeman, Dover.

Frank R. Rountree, Egypt.

Robert L. Williams, Griffin.

Hugh C. Register, Hahira.

Sara F. Greene, Junction City.

Henry J. Claxton, Kite.

Jefferson D. Stalvey, Lake Park.

Venter B. Godwin, Lenox.

John E. Jones, Lula.

Ida Wyatt, Menlo.

Elisha A. Meeks, Nicholls.

George C. Bamberg, Omega.

Janie Pinkston, Parrott.

Lloyd W. English, Pelham.

Jessie Gunter, Social Circle.

Robert N. Trimble, Summerville.

Edmund R. Mathews, Talbotton.

Will P. Tate, Trion.

Daniel M. Proctor, Woodbine.

KANSAS

Pitt H. Halleck, Abilene.

Lawrence J. Barrett, Admire.

Solomon L. Crown, Agra.

Ralph A. Ward, Alden.

Lizzie N. Reaburn, Allen.

Ezra D. Bolinger, Bucklin.

Francis M. Bowman, Bushton.

Rollin J. Conderman, Chetopa.

Edwin A. Boyd, Dwight.

Jacob W. Wright, Elk City.

Grant D. Bollinger, Everest.

Paul H. Quinn, Genda Springs.

Charles M. Tinkler, Gypsum.

Herbert W. Chittenden, Hays.

Anna E. Waterman, Healy.
 Mana M. McKinney, Hoxie.
 Edna N. Carlile, Jamestown.
 Harry E. Simpson, Jennings.
 LeRoy F. Heston, Kanorado.
 William B. Trembley, Kansas City.
 Douglas M. Dimond, Kensington.
 John E. Scruggs, Kincaid.
 Ray Bartlett, La Harpe.
 William S. Lyman, Lewis.
 Ethel I. Starr, Long Island.
 Fred Carlson, Lost Springs.
 Sarah Lee, Louisburg.
 Olive Clements, Maplehill.
 Hollis L. Caswell, McDonald.
 John C. Braden, Meade.
 Robert E. Anderson, Meriden.
 Anna W. Lowe, Moscow.
 Howard L. Stevens, Norton.
 Byram L. Sams, Offerle.
 Homer M. Limbird, Olathe.
 Milton H. Herrington, Olpe.
 John F. Nuttmann, Paxico.
 Willis E. Baker, Pleasanton.
 Walter H. Polley, Republic.
 James R. Robison, Riley.
 William S. Smith, Rozel.
 Chester E. Messler, Russell Springs.
 Nannie Bingham, Sabetha.
 Ola G. Canfield, Scranton.
 Bruce W. Ruthrauff, South Haven.
 David H. Pugh, Tampa.
 Leroy C. Sandy, Troy.
 Cora L. McMurtry, Turon.
 Fred W. Arnold, Vermillion.
 Louis H. Wapler, Wakefield.
 J. Raymond E. Simmons, Wellsville.
 Gertrude M. Blair, West Mineral.
 Stewart M. Young, Wichita.
 William T. Brown, Wilsey.

MAINE

Lewis H. Lackee, Addison.
 Fred A. Manter, Anson.
 Henry W. Owen, jr., Bath.
 M. Estelle Goldthwaite, Biddeford Pool.
 George L. Baker, Bingham.
 Edmund O. Collins, Bridgewater Center.
 Geneva A. Berry, Brownville Junction.
 Fred M. Cole, Bryant Pond.
 Burton A. Hutchinson, Buckfield.
 Harvard M. Armstrong, Cape Cottage.
 Pearl Danforth, Castine.
 David H. Smith, Darkharbor.
 Julia E. Lufkin, Deer Isle.
 Flavie Fournier, Eagle Lake.
 Archie D. Clark, East Corinth.
 Wesley A. Stratton, East Millinocket.
 George A. Turner, Freedom.
 Joseph B. Lewis, Hampden Highlands.
 Kathryn E. Cantello, Hebron.
 Henry H. Walsh, Kennebunk Beach.
 Byron E. Lindsay, Kingman.
 Amelia A. Swasey, Limerick.
 Edna G. Chase, Limestone.
 Ralph W. Chandler, Machias.
 Hattie M. Higgins, Mapleton.
 Althea F. Smith, Mattawamkeag.
 George M. Jackson, Millbridge.
 Bertha D. Redonnet, Mount Vernon.
 William D. Murphy, Newcastle.
 James L. Simpson, North Vassalboro.
 George P. Pulsifer, Poland.
 Ernest E. Pike, Princeton.
 George H. Blethen, Rockland.
 Isaac T. Maddocks, Sherman Mills.
 William R. Elliott, Skowhegan.
 Nellie O. Gardner, Smyrna Mills.
 Everett W. Gamage, South Bristol.
 Ernest L. Bartlett, Thordike.
 Parker S. Adams, Topsham.
 Maybelle Medeiros, Vanceboro.
 Freeman L. Roberts, Vinalhaven.
 Edgar J. Brown, Waterville.
 Majorie R. Dudley, West Enfield.

MARYLAND

Howard F. Owens, Betterton.

MASSACHUSETTS

George C. Henry, Ashfield.
 Matthew D. E. Tower, Becket.
 Hannah E. Pfeiffer, Bedford.
 Thomas F. Lyons, Billerica.
 Augusta M. Meigs, Centerville.
 Frank W. Niles, Charlemont.
 Ralph L. Getman, Cheshire.
 J. Wentworth Earle, Cohasset.
 Benjamin S. Newhall, Danvers.
 Lillian M. Allen, Deerfield.
 Charles L. Goodspeed, Dennis.
 Leo D. Glynn, East Long Meadow.
 Thomas J. Drummey, East Pepperell.
 Clarence S. Perkins, Essex.
 Winona G. Craig, Falmouth Heights.
 William J. Williams, Great Barrington.
 Benjamin C. Kelley, Harwich Port.
 Harry F. Zahn, Hingham Center.
 Mary E. Rathbun, Hinsdale.
 Josephine E. Worster, Hull.
 Tolston F. Phinney, Hyannis Port.
 Augustus A. Hadley, Marion.
 Alliston S. Barstow, Marshfield.
 Harry T. Johnson, Medway.
 Harry D. Whitney, Milford.
 Perez H. Phinney, Monument Beach.
 Frank M. Reynolds, jr., Nantasket Beach.
 Addison T. Winslow, Nantucket.
 Herman L. Peinze, Northboro.
 J. Amy Prouty, North Middleboro.
 William J. Sullivan, North Reading.
 Gladys Roberts, North Scituate.
 James B. Logan, North Wilbraham.
 Myra H. Lambert, Pocasset.
 Raymond J. Gregory, Princeton.
 Frank B. Hood, Somerset.
 Bruce A. Crocker, South Walpole.
 Jesse W. Crowell, South Yarmouth.
 C. Edgar Searing, Stockbridge.
 Everett A. Thurston, Swansea.
 Arthur J. Polmatier, Williamsburg.
 Samuel Highley, Woburn.

HOUSE OF REPRESENTATIVES

Monday, December 14, 1925

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, we do not approach Thee with protest but with willing submission. We murmur not nor complain, for Thy gracious providences are so manifold. May they lead us to live at our best. We beseech Thee to keep the power of our moral resistance unbroken. Help us each day to have the right attitude of mind toward life, with its urgent duties and countless blessings. Oh, hold us in close relationship with Thee. Bless the whole great body of citizens; and may our country grow in intelligence and in reverence toward God and love for man. Amen.

The Journal of the proceedings of Saturday last was read and approved.

SWEARING IN OF MEMBERS

Mr. MEAD, a Representative from the forty-second district of New York, and Mr. BELL, a Representative from the ninth district of Georgia, appeared at the bar and took the oath of office prescribed by law.

GOVERNMENT REORGANIZATION

Mr. DAVEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on Government reorganization.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. DAVEY. Mr. Speaker and gentlemen of the House, it is my desire to make a statement concerning the bill that I have introduced, to grant the President of the United States broad and complete authority for a period of two years to

reorganize the whole business structure of the Government, in order that real economy may be effected.

This bill gives to the President autocratic power for a period of two years to reorganize the executive departments of the Government in a complete businesslike manner. It gives to the President for a limited period more power in time of peace than has been exercised by any war President.

After months of careful thought, study, and consultation I have come to the conclusion that the only way to reorganize is to reorganize.

It is my earnest judgment that the enactment of this bill and its faithful execution will save for the overburdened taxpayers of the United States at least \$500,000,000 a year. It is enough to retire the national debt in 40 years without counting interest. It is enough to provide such a generous reduction in taxes as to really make the American people happy and reestablish their confidence in the efficiency and wisdom of their Government.

The President of the United States has earnestly, consistently, and properly pleaded for economy in government. His hands are tied by existing laws, regulations, customs, and red tape. The result of this situation is that there are now more than 20,000 more civilian employees on the pay roll of the Government than there were a few months after President Coolidge took office. I want to cooperate in giving him the opportunity and power to do a thorough-going job, and once for all to get the business structure of the Government down to a common-sense, economical, efficient basis.

No private business, however well capitalized, could survive 30 days under the same cumbersome, slipshod, inefficient, and hopelessly extravagant condition as that of the United States Government. It would be easily possible to dispense with at least 100,000 unnecessary Government employees, and save not only their annual salaries but also the overhead expense to house them and furnish them with the equipment and supplies with which to work, or, rather, to put in their time.

For a considerable period of years much has been said and written about the urgent necessity of reorganizing the Government of the United States on a business basis. The great need of such reorganization is obvious to all students of government. Recent Presidents of the United States and many of their spokesmen have urged and pleaded the necessity of reorganization, with the result that a reorganization bill is now pending which is the product of the labors of the special Joint Committee on Reorganization created under the joint resolution adopted December 17, 1920, and amended by another joint resolution approved May 5, 1921.

It is my judgment, however, that the pending reorganization bill, admitting the full sincerity and fidelity of the joint committee on reorganization, does nothing more than scratch the surface of the problem and can not possibly go to its root.

What is needed is the creation of one-man power for a limited period, vested in the President, which should be sufficiently broad and unrestricted to enable him to do a real job of reorganization. I want to give to the President of the United States the same degree of power that I would give to the president of a great corporation heavily loaded down with unnecessary personnel and expenses if I were a stockholder or director in that corporation.

Let me refer to a statement made by former Senator Aldrich, the very able chairman of the Senate Finance Committee, which was made in an address to the Senate February 21, 1910, as follows:

If I were a business man and could be permitted to do it, I would undertake to run this Government for \$300,000,000 a year less than it is now run for.

This statement was made more than 15 years ago, when the dollar would buy nearly twice as much as it will buy to-day, and when there were approximately 140,000 less civilian employees of the Government than at present. If Senator Aldrich was right in his statement in 1910, it should be possible to save three times as much to-day.

Furthermore, in 1910 the annual appropriations were \$786,294,797, whereas the appropriations for the fiscal year 1925, exclusive of the amounts appropriated for principal and interest of the war bonds, amounted to \$2,615,871,791.55. In other words, the appropriations for the conduct of the Government for the past year were considerably more than three times as much as they were 15 years ago.

In the last several years we have had some measure of economy in a limited sense, and we have enjoyed a considerable tax reduction. This tax reduction, however, is very largely a result of a natural decline of the war activities. In other words, this country was laboring under the peak load of high

war taxes, and the consequent revenue from these war taxes after the termination of the war was greatly in excess of the requirements of a peace-time basis. In addition to this, we have had the benefit of large amounts of money received from the sale of surplus war material, plus other large amounts received in payment of principal and interest from the debtor nations. It is perfectly obvious, therefore, that large tax reduction has been not only possible but logical and inevitable.

I am not thinking of the tax reduction that was made possible and inevitable by the transition from a war to a peace-time basis. I am thinking now of great, necessary, and wholesome economies that can be and should be effected by a thorough-going, businesslike reorganization of the Government, such as would be the logical thing in any private business.

If the President can be given the power to reorganize, consolidate, eliminate, and systematize he can easily rid the Government of at least 100,000 unnecessary employees and make an annual saving for the overtaxed American people that will be an outstanding achievement of our peace-time history.

There is one important phase of this bill that deserves emphasis. While there are a hundred or a hundred and fifty thousand unnecessary and useless employees, there are several hundred thousand faithful, meritorious ones, many of whom are decidedly underpaid. When a person enters the employ of the Government of the United States, he leaves all hope behind. There is little or no chance for advancement on merit and almost no chance to receive salary increases that have been earned by honest, efficient service. There is no incentive, no hope, with a result that many naturally good workers are made to feel, "Oh, what is the use." The fact that there are a hundred thousand or more unnecessary and useless employees is a millstone around the necks of the efficient and meritorious ones. This bill authorizes the President to use 10 per cent of the annual saving under its provisions to increase the salaries of those remaining employees who are efficient and underpaid, a consideration for them that is generally recognized and long overdue.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

Sundry messages in writing were communicated to the House of Representatives by Mr. Latta, one of his secretaries.

THE REVENUE BILL

Mr. GREEN of Iowa. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. MADDEN in the chair.

The Clerk read the title to the bill.

The CHAIRMAN. The Clerk will read.

The Clerk, continuing the reading of the bill, read as follows:

(d) (1) If an exchange would be within the provisions of paragraph (1), (2), or (4) of subdivision (b) if it were not for the fact that the property received in exchange consists not only of property permitted by such paragraph to be received without the recognition of gain but also of other property or money, then the gain, if any, to the recipient shall be recognized, but in an amount not in excess of the sum of such money and the fair market value of such other property.

Mr. BLANTON. Mr. Chairman, on page 11, line 9, I move to strike out the words "received without the recognition of gain."

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Page 11, line 9, strike out the words "received without the recognition of gain."

Mr. BLANTON. Mr. Chairman, this is a pro forma amendment. I have permission from the chairman to use just a little time in commenting on a very important matter.

Mr. GREEN of Iowa. Mr. Chairman, is the bill being read by sections or by paragraphs?

The CHAIRMAN. By paragraphs.

Mr. GREEN of Iowa. Mr. Chairman, I have forgotten the rule applicable to revenue bills, as to whether they are to be read by paragraphs or sections.

The CHAIRMAN. It is within the discretion of the Chair. The bill will be read under the five-minute rule for amendment by major paragraphs. That is, the Chair rules that major paragraphs are those which are lettered. The paragraphs

which are numbered are subparagraphs. The bill will be read by major paragraphs.

Mr. HUDSON. The decision of the Chair is that the bill is to be read by paragraphs?

The CHAIRMAN. By major paragraphs.

As the Chair has stated, the major paragraphs are those which are lettered, while the paragraphs which are numbered are the subparagraphs.

The Clerk completed the reading of the paragraph.

Mr. BLANTON. Mr. Chairman, human life is getting to be of very little value in the United States. In the very large cities its value seems to be growing less each year. There is but one reason for it. Murderous criminals escape too easily just and adequate punishment. Plenty of money can always secure expert testimony from ready and willing alienists who are able always to find technical symptoms demonstrating scientifically that the "greatly to be pitied, martyred prisoner at the bar could not have been in his right mind else he would not have committed such a dastardly crime." Criminal lawyers will frankly admit that where there is plenty of money available such testimony can always be secured. It is usually merely a question of have we got the necessary money.

Of course, the above will not apply to all alienists. For they are of many kinds. I am glad to say that we have some in the United States whose testimony money can not buy. But I also regret to say that there are some alienists available for every case if there is sufficient money to pay their bill.

The murder committed in Chicago by the two young millionaire college men, Leopold and Loeb, in its shrewd manner of planning and execution, shocked the entire world. These were not ordinary criminals with their minds warped from suffered hardships, but they were educated, pampered, well-fed, well-clothed, well-groomed, pleasure-gorged, luxury-surfeited, polished thugs, who cruelly killed a little boy just for a new thrill, and carefully planned the entire transaction with shrewd minds in the minutest detail.

If ever there were a case in the whole annals of criminology that called for the death punishment, this was one. There was not one single extenuating circumstance. Nothing whatever could be offered in mitigation. The enormity of the crime was simply appalling.

But much money secured the services of one who had a national reputation for saving noted criminals from the gallows. He immediately made the boast that he would save Leopold and Loeb from death. He knew the powerful efficacy of alienists' testimony. He knew that if he could find one who was an official of the United States Government his testimony would be of double-strength value. He did not have to investigate long to find out that Dr. William A. White, superintendent of St. Elizabeths Hospital, in Washington, D. C., which is a Government institution, devoted a portion of his time at least to testifying in court and was available.

In order that I might know just what is expected of Doctor White in his contract with the Government, I wrote to the Secretary of the Interior and asked him a lot of questions, and since his reply states both my questions and his answers thereto categorically, I want you to read same, as follows:

THE SECRETARY OF THE INTERIOR,
Washington, November 2, 1925.

HON. THOMAS L. BLANTON,
House of Representatives.

MY DEAR MR. BLANTON: Your letter of October 30, 1925, has been received requesting certain information in relation to Dr. William A. White, superintendent of St. Elizabeths Hospital.

In response thereto your questions will be answered in the order in which presented, to wit:

1. How long has Doctor White been connected with St. Elizabeths? Since October 1, 1903; 22 years.
2. How long has he been superintendent of same? The same length of time.
3. What salary does he now receive as superintendent? Seven thousand five hundred dollars.
4. Besides his salary what emoluments does he receive?

Under the readjustment of compensation of officers and employees, St. Elizabeths Hospital, under the sundry civil act of July 19, 1919, Doctor White is allowed board, lodging, laundry, medical attention for self and family. Section 4839 of Revised Statutes requires the superintendent to live on the premises.

5. Is he furnished (a) his residence; (b) furnishings; (c) any servants; (d) his lights, heat, gas, and water? Yes to all.

6. Is he allowed a specific traveling allowance; if so, what? He is entitled to the same allowances for travel as any other employee of the Interior Department, being governed by the travel regulations issued

September 30, 1914, and amendments thereto; allowance is actual expenses not to exceed \$5 per day, or \$4 per day in lieu of subsistence.

7. How many assistant superintendents has he and their salaries? He has two assistants; one medical assistant, at \$5,400, and one administrative assistant, at \$5,200.

8. Does his employment contemplate that he shall give his entire time to the Government, or is he allowed to practice at will when he pleases? Under section 4839, Revised Statutes of the United States, he is required to devote his whole time to the welfare of the institution.

9. What leave is he allowed each year? The same as any other public officer holding a similar position in the Government. Under departmental practice the superintendent of St. Elizabeths Hospital must secure the approval of the department for periods of absence from Washington. He is actually on duty during the regular office hours of the institution and is on call every hour of the 24.

Very truly yours,

HUBERT WORK.

Now, note from the letter of the Secretary of the Interior that Dr. William A. White has been the superintendent of this Government institution, St. Elizabeths Hospital here in Washington, for 22 years; that he gets a salary of \$7,500 per annum; that the Government furnished him free his residence, his furnishings, his servants, his lights, his heat, his gas, his water, his laundry, his food, and his medical attention for himself and his family. And he is allowed traveling expenses not to exceed \$5 per day, or \$4 per day in lieu of subsistence. And note further that the Secretary of the Interior says that under section 4839, Revised Statutes of the United States, Dr. William A. White is required to devote "his whole time to the welfare of the institution."

Now, when Dr. William A. White testified for Leopold and Loeb he was cross-examined by Attorney Crowe, and I quote from the official records of said case the following questions propounded by Mr. Crowe and the answers to same given by Doctor White as follows:

Question. Doctor, when is the first time you came to Chicago in this case?

Answer. The 1st of July is my recollection of the date.

Question. And how long a time did you remain in Chicago on that particular business?

Answer. I think it was about 10 days.

Question. You returned to Washington about the 10th of July?

Answer. I went to New York.

Question. Well, you left Chicago?

Answer. I left Chicago; yes.

Question. How much, if anything, have you been paid for that particular visit?

Answer. I have been paid at a per diem rate of \$250 a day.

Question. Do you expect any more?

Answer. At the same rate.

Question. So for every day you have put in this case you expect \$250 a day?

Answer. Yes.

Now, Mr. Chairman and gentlemen, if Dr. William A. White had been testifying, even for the Government, to uphold law and order and to protect society from educated murderers, he would not have had the right to leave his work in Washington and go to Chicago and spend a week or 10 days on this occasion and another week or 10 days on that occasion, and then go to New York for another trip, because his employment required his attention here, devoted to the interest of St. Elizabeths Hospital. God knows that there is enough important work for him to do out there. He had no right to thus sell his services to criminal interests for \$250 per day.

Mr. KINDRED. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a moment. Now, note that Dr. William A. White testified on the stand that for his first trip to Chicago he was paid \$250 per day for 10 days, which, by the way, netted him the snug little sum of \$2,500, and then he went on to New York. And then when he went back to Chicago to attend this famous trial of Leopold and Loeb he said that he was to get \$250 more for each day he put in, and that, of course, meant each day away from Washington. But he does not say how much it all netted him.

On October 20, 1925, I wrote to Doctor White and asked him to—

please advise me exactly the sum you received for the first trip to Chicago and New York, and the sum you received for the trip to Chicago while attending the trial, and if you made other trips the exact sum you received for same.

And I asked him to give me a statement of the various trials in which he had testified for money and the amounts he received for each case.

On October 21, 1925, he sent me a very evasive reply, in which he said:

In the first place, I can not answer your questions in detail. My outside activities are so few that I am not justified in maintaining a set of books, and I therefore keep only a memorandum of them, which, after it has served its usefulness, I destroy.

He admitted, however, that in Chicago he was paid for as much as two weeks, and he says:

Of course, I feel, where some one wants my opinion and they have plenty of money to pay for it, that there is no reason why I should not charge for it.

I did not receive his letter of October 21, 1925, until October 23, 1925, and I immediately wrote to him again and requested that he give me a statement of the number of different cases in which he had testified for money, both in Washington and elsewhere, and the amounts of money he had received in such cases, respectively, and on the next day, October 24, 1925, I received the following reply from him, to wit:

DEPARTMENT OF THE INTERIOR,
ST. ELIZABETHS HOSPITAL,
Washington, D. C., October 24, 1925.

(Address only the Superintendent, St. Elizabeths Hospital)

Hon. THOMAS L. BLANTON,

House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: I have your letter of the 23d instant. I am very sorry that you feel as you do about my answer to your letter. I assure you I have been quite frank. A detailed statement such as you ask is absolutely impossible for me to make. My memory does not serve me, and, as I told you, I have no record to which I could refer. If my failure to remember the details of many years of active work is considered sufficient ground for a congressional investigation, then the investigation will have to go forward. I have nothing to conceal or evade. I have been able, in the years of my stewardship, to make out of this institution what an international authority said only a short time ago in visiting me the best institution of its character he had ever seen in the world.

Very sincerely yours,

WM. A. WHITE,
Superintendent.

Every lawyer in this House knows that Dr. William A. White can remember every important case in which he has ever testified wherein he received a large fee for testifying, and that he can remember the fee he received. He did not have to keep a set of books. He could have told me if he had wanted to tell me. And, as a Representative of the people in this Congress, I had the right to ask him these questions, for I am called upon to vote the appropriations that give to him his salary, and his residence, and his servants, and his food, and his furnishings, and his lights, and his heat, and his gas, and his water, and everything else he wants for himself and his family, given to him free by this Government, and, when the law requires him to devote all of his time to this Government institution out here, I have the right to know whether he is doing it or not.

And, Mr. Chairman, he had no right to sell his services to the defense in the Leopold and Loeb trials at \$250 per day, and I will leave that to our distinguished colleague, Doctor KINDRED, of New York, who is one of the greatest alienists in the United States.

Mr. KINDRED. I thank the gentleman very much, but does not the gentleman realize that Doctor White is one of the most distinguished alienists and one of the most able and efficient executives in the country?

Mr. BLANTON. He ought not to be selling his services to Leopold and Loeb trials.

Mr. KINDRED. And if the gentleman admits that he is one of the most able executives in the country, is it not quite thinkable that the institution goes along under his able organization while he is away for a few days as well as when he is there?

Mr. BLANTON. No; it does not, because there have been all sorts of scandals during the vacation charged against that institution which have been brought out through the newspapers since Congress adjourned and my colleague went back to New York. My colleague, I am afraid, is fixing to raise his per diem compensation at these Leopold and Loeb trials by praising him so highly. Doctor Work says that he owes his time to the people. How does this institution get along when he is spending two weeks in Chicago? How does it get along

without its head when he makes these trips to New York? How does it get along with its head absent, if there should be a Leopold and Loeb trial in San Francisco and they call on him to come there at \$250 a day? I say as one Member of this House that he should stop that kind of work if he expects to hold his position with this Government.

Mr. KINDRED. Will the gentleman not admit that this Government would be deprived of the services of one of the ablest executives in the country if he were to construe this rule strictly?

Mr. BLANTON. I do not consider any man an able executive who sells himself to trials of that kind, helping educated criminals of the worst character to escape justice.

Mr. KINDRED. But the gentleman is now discussing the merits of the Loeb trial.

Mr. BLANTON. I am discussing the question of a public official, who owes all of his time to the Government, receiving a salary from the Government, and at the same time selling his time for \$250 a day to testify to keep two men from being hanged who ought to have been hanged.

The statistics for last year show that in Chicago, just one city in the United States, there were 180 people murdered during 1924. Connected with same there were 258 persons arrested. Only one was hung. They could not entirely defeat justice in Chicago, however, for 20 murderers committed suicide. Only 30 were sentenced to prison.

In New York, during 1924, 297 persons were arrested charged with murder. During 1923, with 112 persons tried for murder in New York, only 1 was convicted for first-degree murder, and only 11 were convicted for second-degree murder.

The latest statistics I have for England and Wales is for 1922. Throughout the entire boundaries of England and Wales during the year 1922 there were only 100 deaths thought to be from foul causes. Twenty-seven persons suspected committed suicide. Sixty-five others were arrested. Of these 5 were discharged, as the evidence was not sufficient to hold them. Sixty were tried, and 34 were sentenced to be hung. On account of extenuating circumstances 4 females and 6 males had their death sentences commuted to life imprisonment at hard labor.

It is sure, certain, adequate punishment in England that deters crime. Life is of value there. Life would be of value here if we would have the manhood to inflict death when death is deserved. We must put aside this foolish sentimentalism. When Leopolds and Loeb commit these studied, vicious, cruel murders, we ought to stop their breed by hanging them by the neck until they are dead. Life will not be of value in the United States until we do wake up.

If Dr. William A. White had not been connected with this Government institution, Clarence Darrow would not have given 30 cents for his testimony. He must stop selling the Government of the United States for money in murder cases to let criminals escape just punishment. And he must not secrete his facts.

Mr. GREEN of Iowa. Mr. Chairman, I rise in opposition to the pro forma amendment. I did not understand what the gentleman from Texas [Mr. BLANTON] wanted, or I would not have told him that I would make no objection. Hereafter I shall be compelled to object to all debate that is entirely extraneous to the bill before the House. This is an important bill that ought not to be delayed by such matters.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(d) The depletion allowance based on discovery value provided in paragraph (1) or (2) of subdivision (c) shall not exceed 50 per cent of the net income of the taxpayer (computed without allowance for depletion) from the property upon which the discovery was made, except that in no case shall the depletion allowance be less than it would be if computed without reference to discovery value.

Mr. LOZIER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LOZIER: Page 21, line 2, after the word "value," strike out the period and insert the following provision: "That the exception aforesaid in relation to depletion allowance as to oil and gas wells or the production thereof shall apply only to a discovery well in a new field that produces oil and gas in such commercial quantities as to return the capital outlay with a profit: *Provided further*, That such wells shall be at least 5 miles from any other commercial producing oil or gas well."

Mr. LOZIER. Mr. Chairman, it is generally understood that probably all amendments offered to the pending bill will be defeated. But I have offered an amendment in good faith, believing that its adoption will stop a leak in the administration of our revenue laws that in the past few years has deprived

the Federal Government of probably \$300,000,000. I refer to the discovery clause and depletion clause of the present and the proposed revenue bills. When the revenue bill of 1924 was being considered I called my colleagues' attention to the fact that the oil industry was escaping just taxation under the guise of credits for depletion and on account of having brought in discovery wells or producing wells in territory in which there had been no previous production. The purpose of the discovery clause is to encourage men to go into a new and undeveloped territory and drill for oil. Those who spend money in "wildcatting" are gambling with fate; and if they develop oil in commercial quantities, they should have an advantage over the owners of adjoining lands who do no development work and spend no money on their leases until the pioneer has brought in a productive well and thereby demonstrated that these adjoining lands are in all probability a part of the same oil structure or oil-bearing lands. The law is intended to give the actual discoverer the privilege of having his property valued for capital and depletion purposes as of date 30 days after his producing well is brought in. On this valuation he is entitled to base his income-tax return. That is a wise provision which should be granted to the man who goes into new territory, invests his money on uncertainties, and develops a new field. But in the administration of this equitable provision the law has been construed so as to give adjoining landowners who spend no money and do no development work until some one else has gambled with fortune, and by drilling demonstrated that not only his land but practically all contiguous or near-by lands are oil-bearing land. To illustrate, in a township 6 miles square one man owning 160 acres of land in the center of the township may spend \$50,000 in drilling a well in the hope that he may be able to bring in a well that will produce oil in profitable quantities and prove that that district is underlaid with rich oil-bearing sands. If this pioneer is successful and brings in a well producing oil in large quantities, this is called a discovery well, and it is in truth and fact a discovery well, and its owner, by reason of having risked the initial expense, should be dealt with liberally by the Government and given the benefit of a credit on account of his having brought in a discovery well. But under the law, as it has been administered, every other landowner in the township, or, as far as that is concerned, in the district, can sink wells on his land; and if he brings in a producing well, he gets practically the same benefit and reduction under the depletion and discovery clause as the man who brought in the original well and demonstrated that oil could be produced in that district in profitable quantities.

The first driller risked the cost of his drilling operations. He was taking great chances, and he, and he alone, is the discoverer and entitled to the benefit of the discovery clause in accounting to the Federal Government for his income. The hundreds of persons owning adjoining lands, or lands in the vicinity of the discovery well, waited until someone else discovered oil and demonstrated that that district was underlaid with rich oil-bearing sands. They did no drilling and discovered nothing until the other fellow had spent his money and made the discovery that the lands in that district were oil-bearing lands. Now, as the law has been construed, these owners of leases or lands who invest nothing, risk nothing, and do nothing until someone else has discovered oil in paying quantities, have been claiming the benefits of the discovery clause and have been getting such benefits the same as have been allowed to the man who brought in the discovery well. This is not fair or equitable.

Heretofore the revenue statute has not defined a "discovery well," but the Treasury Department, in administering the depletion and discovery clause, has limited each discovery to 160 acres and have allowed the benefits of the discovery clause to owners of oil wells anywhere in the district, except where the new well is within one-fourth mile of a producing well.

My amendment, if adopted, will prevent a perversion and abuse of the discovery clause, which, under the present law and the proposed bill, may be invoked and applied to nearly every well in an oil region, when in truth and fact three-fourths of the so-called discovery wells are not discovery wells at all, but only extension of the original discovery well and in very close proximity thereto.

The Treasury definition of a discovery well is incorporated in the pending bill and becomes a part of the statute. Under this provision, and under the administration of this law, the bringing in of a productive oil well will not prove the district as oil-producing lands, except as to the 160 acres on which the discovery well is located. Under this law a hundred wells may be brought in in the immediate vicinity of the original discovery well, and all of these hundred wells could claim the

benefit of the discovery clause, provided they are more than one-fourth mile from the original discovery well. Now, no one will seriously contend that these belated drilling projects should be considered discovery wells or given the benefit of the discovery clause in the revenue act.

When the revenue bill of 1924 was being considered, on February 19, 1924, I offered this same amendment and called attention to the fact that the Government was losing hundreds of millions of dollars by a maladministration, perversion, and abuse of the discovery clause with reference to oil and gas wells. At that time I said to the House:

One land owner brings in a well producing oil in commercial quantities, thereby proving the field. The adjoining landowners, who risked nothing and discovered nothing, in making their income-tax returns, come before the income-tax unit and claim the benefit of the discovery clause and get the same subsidy or depletion privileges as the man who took a chance, spent his money, and really discovered the field.

The distinguished gentleman from Iowa [Mr. GREEN], chairman of the Ways and Means Committee, and the distinguished gentleman from Texas [Mr. GAENER], the ranking Democratic member of that committee, opposed the adoption of my amendment and the House, by the steam-roller process, voted down my amendment. I am sure that few Members of the House understood the importance of this provision or it would not have been defeated. And in all probability the House will to-day, following the lead of these spokesmen of republicanism and democracy, vote down the pending amendment without taking time to consider the proposal.

May I call your attention to the fact that recently a Senate committee, of which Senator COUZENS, of Michigan, is chairman, made a report showing that the oil companies in their income-tax returns in recent years had withheld from the Government at least \$25,000,000. May I say that the Couzens committee has not as yet more than scratched the surface of these fraudulent tax returns by oil companies hiding behind an unwarranted construction and an unfair administration of the discovery clause of our revenue act. In the last session of Congress the Representative of the second Missouri district stood alone in calling attention to this enormous leak in Treasury receipts and to this abuse of the so-called discovery clause as it relates to income from oil and gas wells. The Couzens report came many months after I called attention to this misconception and maladministration of the discovery clause in existing and former revenue acts, but I am hoping that this report may awaken the public conscience and cause the Members of the House and Senate to correct this abuse and to stop this enormous leak, as a result of which the oil companies are withholding from the Government millions of dollars annually that in all fairness and under a proper construction of the law should be contributed by them. Under the present and former laws thousands of oil wells in proven territory have been wrongfully getting the benefit of the discovery clause, and the pending bill does not remedy this situation but perpetuates it by writing a Treasury regulation into the statute, and which regulation makes every oil well brought in a discovery well, even if it is in a proven field where millions of barrels of oil have been produced, provided, of course, such new well is not closer than one-fourth mile from another producing well. I realize that all land in an oil district is not oil-bearing land, but when one well or numerous wells scattered over a district has demonstrated that the district is underlaid with rich oil-bearing sand, then the new wells brought in in close proximity to the old producing wells should not be considered discovery wells or given the benefit of the discovery and depletion clause in the pending bill. My amendment proposes that the depletion allowance shall apply only to a discovery well in a new field that produces oil or gas in such commercial quantities as to return the capital outlay with a profit. My amendment further provides that no new well in a proven field shall be considered a discovery well or given the benefit of the discovery clause unless such well is at least 5 miles from any other commercially producing oil or gas well. Under the proposed bill, men who go into a new oil field after it has been proven will get the benefit of the so-called discovery clause on new wells brought in by them, provided their wells are at least one-fourth mile from another producing well. This is not fair to the men who drilled the original discovery well and demonstrated that the district was proven oil land. It is not fair to the Government to give men or companies a credit for bringing in discovery wells when in truth and fact they did no drilling and expended nothing until others had demonstrated that the district was proven territory. I hope the

Members of this House will give this subject careful and serious consideration. The adoption of my amendment will save millions of dollars annually to the Government. While dealing liberally and justly with the owners of the original discovery wells, it withholds from those who enter the field at the eleventh hour the benefits which the law intends should accrue to those who pioneer for oil in new fields. I hope my amendment may be agreed to. [Applause.]

Mr. CARTER of Oklahoma. Before addressing myself to the amendment under consideration, let me first make this brief general statement with reference to the oil business and levying taxes against the same. Oil is no more inexhaustible than any other commodity, yet it composes about the only capital asset of any oil property. When a barrel of oil is extracted from the earth and sent into the marts of trade it just as surely depletes the capital asset of that property as does the merchant when he sells a barrel of flour, a barrel of salt, or a barrel of sugar, from his warehouse. Therefore, as you take the oil out of the earth you certainly deplete the capital asset of the property to that extent. But it would be a most difficult procedure to determine just what the proportion of depletion would be, for the reason that no one knows exactly what is in the earth. No one knows how much oil is left after the barrel is taken out. Evidently these difficulties were apparent to the Ways and Means Committee and the Treasury Department. I have an idea they concluded that any accurate calculation would be impossible. So having found an accurate determination of depletion impossible this so-called discovery clause was written into the first act in 1918 in lieu of depletion.

Now, the amendment proposed by the gentleman from Missouri [Mr. LOZIER] is a sort of double-barreled arrangement. First, he makes it apply to only certain wells which, as he says, "must produce oil and gas in such commercial quantities as to return the capital outlay with a profit." Then his proviso states "that such wells shall be at least 5 miles from any other commercial-producing oil or gas well."

Mr. GREEN of Iowa. Why did he not make it 50 or 100 miles?

Mr. CARTER of Oklahoma. He might just as reasonably have made it 1,000 miles. I doubt if there is any such thing in the oil business as a strictly proven territory. Any man knowing anything about the oil business knows that term is a misnomer and that "prospective territory" would better describe the situation. Take, for instance, the celebrated California oil territory, where wells were brought in producing ten and twenty thousand barrels per day. When offset wells were drilled right across the line at the legal limit within two and three hundred feet the majority of them produced only from 10 to 100 barrels, and a large portion consisted of dry holes.

Mr. LOZIER. Will the gentleman yield?

Mr. CARTER of Oklahoma. I will.

Mr. LOZIER. Is it not true under present regulations and practice that even in proven fields where there are thousands of producing oil wells men are bringing in wells now in those fields and getting the benefit of the depletion and discovery clause?

Mr. CARTER of Oklahoma. I think I have answered that question in the statement just made; but let me say to my friend that wells usually prove no more than 160 acres, and in many cases they do not even prove that much. I can point to conditions right in my home county where within 300 feet of large producing wells other wells have been drilled which proved to be "dusters." Why, in some places the field in my home county does not exceed in width a mile and a half, and I doubt if in any case it exceeds 5 miles; and yet the gentleman from Missouri brings in this ridiculous proposition recognizing one small well as proving territory 5 miles distant.

The gentleman from Missouri cites some startling statements from the so-called Couzens report. Certainly these abuses should be corrected, but if I remember the Couzens report accurately its citations all apply to abuses which took place under the act of 1918 and prior to the passage of the act of 1921. I will cite the procedure under these different acts, and if I am in error I will ask my friend from Iowa to correct me. Under the old system, as I recall, the act of 1918 carried absolutely no limitations, the act of 1921 made limitations of 100 per cent, and the act of 1924 went still further and reduced that to 50 per cent.

Mr. GREEN of Iowa. That is correct. We have been limiting these things right along. And in the very paragraph the gentleman objects to we limited it still further than in the preceding act.

Mr. CARTER of Oklahoma. Yes; all these injustices and abuses the gentleman calls attention to came about under the act of 1918 and not under the present law. Let me call atten-

tion to this further fact. When a well of 500, 1,000, or 20,000 barrels is brought in there is always a world of publicity given to that fact. Why? Because the newspaper boys are looking for news, and when a big strike is made that is real news, but you never hear a word of the poor devils who keep drilling dry wells and dusters until their capital is completely exhausted, because that is not an item of interest.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. CARTER of Oklahoma. I will.

Mr. JOHNSON of Texas. What proportion of the dry wells are sunk in comparison with those which produce?

Mr. CARTER of Oklahoma. I do not have those figures with me, but a gentleman near me here advises me that it is about 100 to 1. I regret to say that I myself have gone into a few of these little ventures, very much to my sorrow. I do not know what percentage of dry wells as compared with producing wells others have found, but the percentage I have run up against is 100 per cent dry holes. [Laughter.]

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. CARTER of Oklahoma. Yes.

Mr. JOHNSON of Texas. I believe in what the gentleman says in opposition to the amendment, and I want to ask him this further question: Is it not true that many of these developments in the unproven territory are made by the small operators and not by the large companies?

Mr. CARTER of Oklahoma. Yes. I was just getting to that. Anybody who has kept in any kind of touch with the oil business knows that the big corporations, such as the Standard Oil Co. and others, are not the real explorers and developers in oil. The little independent fellow is the fellow who does the wild-cating.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CARTER of Oklahoma. May I have five minutes more?

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. CARTER of Oklahoma. If the gentleman from Kentucky will let me proceed for just a moment with this thought, I shall be glad to yield to him. I repeat the little fellow develops the well and is the real discoverer and explorer. After he brings in a well then the Standard Oil Co. or some other big corporation comes in and invests its money in wells already developed.

Mr. LOZIER. Mr. Chairman, will the gentleman yield?

Mr. CARTER of Oklahoma. Yes.

Mr. LOZIER. Is it not true that when the little man goes into a new field and sinks a well and brings in oil and gets the benefit of the discovery clause when the oil is produced you find that the Standard Oil and the big companies have leases all around it, and then they get the benefit of the depletion and discovery clause?

Mr. CARTER of Oklahoma. I have just told my friend that the Standard Oil Co. does not deal in undeveloped oil land. As a matter of fact, these companies do not undertake to control the oil business so much by production as they do by transportation of oil. I repeat the practice of the Standard Oil Co. and other big companies is to wait until the property is thoroughly developed and then make its purchase. If they purchase developed property after 1913, then I assume that their income taxes would be computed on the purchase price without regard to the discovery clause.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. CARTER of Oklahoma. Yes.

Mr. VINSON of Kentucky. Is it not a fact that the average barrel production of all oil wells in this country, large and small, is between five and six barrels a day?

Mr. CARTER of Oklahoma. I reply to the gentleman that in testimony had before a committee on which I served several years ago I was almost astounded to hear one of the most responsible oil men in the country make the statement that more than 80 per cent of the production of oil came from wells producing less than 10 barrels a day.

Mr. VINSON of Kentucky. I will say to the gentleman that the statistics show a production of 5 or 6 barrels a day on the average, and statistics show also that while \$12,000,000,000 have been invested in the drilling and equipping of wells only \$8,000,000,000 worth of oil has been produced.

Mr. CARTER of Oklahoma. I thank the gentleman.

Mr. SABATH. Will the gentleman explain how the poor devil who gets busted derives any benefit from this clause?

Mr. CARTER of Oklahoma. If he goes busted before he gets production, he will get no benefit, but "hope springs eternal

in the human breast," and he always has faith that just before he finally blows up he can bring in a well, and he will then get the benefit of this discovery clause in making out his income tax.

Mr. MILLS and Mr. TINCHER arose.

Mr. TINCHER. Is it not true that if the Lozier amendment were adopted no wildcat would be able to sell anything or have an opportunity to?

Mr. CARTER of Oklahoma. I think that is a fair statement. I yield to the gentleman from New York [Mr. MILLS].

Mr. MILLS. I want to know whether or not it is true that the operator who works one dry well after another has no income from which to make a deduction of his expense next year because that represents a net loss, and the only chance of his ever getting a reduction by reason of that loss is under the depletion and discovery clause when he does bring in oil?

Mr. CARTER of Oklahoma. Why, certainly. Now I hope I will be permitted to carry on just a little bit further the analysis and result of these attempts to hamper the development and production of oil by the independent producers. Bear in mind that this provision which the gentleman from Missouri seeks to emasculate is not intended to apply to anything except the so-called wildcat developer. Let us not forget the fact that the wildcat developer is the little independent fellow with small capital. He organizes a little company, piecemeal usually, among his nearest friends and associates. In fact, his activities along this line will be confined largely to those who know him personally and have some faith in him. He gets together such funds as he can from these friends, gets up his acreage, has his survey made, and drills his well. All this expense will cost him and his friends about \$35,000 to \$40,000. If he strikes oil, well and good, but in the majority of cases nothing may be left in the trail of all this expense save a "duster," and then he is down and out. Unless some other adventurous soul is found to take his place in the wildcatting business then the development of oil is reduced just in that proportion. We must surely all recognize the marvelous increase in consumption of oil products during the past few years. Generally the production of oil has been able to keep in hailing distance of this marvelous increase in consumption. Most of the independent producers believe—and I believe they are right—that this increase in production would have been impossible but for such things as this discovery clause, and should that be eliminated placing this handicap on development by independent producers it would not be a great while until production would fall far short of consumption. Then what would be the result? The immutable law of supply and demand would step in. The price of gasoline and other products of oil would be boosted sky-high, and as usual the poor old ultimate consumer would pay the bills.

Mr. BLANTON. Will the gentleman yield?

Mr. CARTER of Oklahoma. Yes.

Mr. BLANTON. Would not the gentleman apply this to the Tinchier No. 1? It is only through such provisions as this, is it not, that we can bring in a Tinchier No. 1?

Mr. CARTER of Oklahoma. I suppose so.

Mr. HASTINGS. Mr. Chairman, will my colleague yield?

Mr. CARTER of Oklahoma. Yes.

Mr. HASTINGS. Is it not about time that we should understand that the criticisms that are leveled against the law have been against conditions that existed under the old law of 1918 and not under the subsequent acts of 1921 and 1924? I heartily indorse the argument of my colleague [Mr. CARTER] and regret that time is not afforded to supplement his splendid argument against this amendment.

Mr. CARTER of Oklahoma. I undertook to explain that the abuses committed were under the act of 1918, which had no limitations, but perhaps I did not make myself clear.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. GREEN of Iowa. I am sure the gentleman from Missouri [Mr. LOZIER] does not think that I have been linked in any way with the gentlemen whom, he says, have gotten benefit out of this provision. Since I have been connected with the committee it has been restricted half a dozen times, and each time I have had something to do with making those restrictions. We made a most important change by the last law when we limited the amount of allowance that could be obtained through this discovery and depletion provision to 50 per cent of the net income. Before that it could be 100 per cent. We have now placed further limitations in the bill, so that it now restricts what was provided in the law of 1924. I believe we have got it pretty nearly right. The proposition advanced by the gentleman from Missouri that nothing should be considered as the discovery of a well that was within 5 miles of another

well would, according to the statement just made by the gentleman from Oklahoma [Mr. CARTER], eliminate practically all questions of discovery. There could be no discovery unless the prospector went into a new field.

As has already been stated on the floor, about 90 per cent of the wells that are sunk are dry holes. These people have got to get some compensation, some allowance, for all of the risks they take in sinking these dry holes, and it has seemed to the committee that the allowance contained in this provision, that a well should be considered as a discovery well within an area of 160 acres, is a reasonable allowance and limitation.

Mr. LOZIER. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. LOZIER. Is it not true that as the law has been administered, and as it will be administered under the present act, gross abuses and frauds on the Government have been and will be practiced?

Mr. GREEN of Iowa. If I thought so, I would certainly favor a further limitation. No one has worked harder to prevent fraud and evasion than I have. On the contrary, I think the result will be absolutely the opposite. There is no occasion for frauds being perpetrated on the Government under this provision.

Mr. LOZIER. Is it not true that until this present tax bill there was nothing defining what a discovery well is, and that you have written into this bill a Treasury regulation which makes 160 acres as a unit, and in a township of 36 miles square you might have 1,000 oil wells with 160 acres in the center undeveloped? The owner of that acreage could bring in a well; and although all the township might have produced a billion dollars' worth of oil, he would get the benefit of that discovery.

Mr. GREEN of Iowa. Theoretically it is possible, practically it is impossible. Such a case or anything like it never has happened. Now, I can not yield further, but I will answer further part of the gentleman's question. It would be more likely that you would have 10,000 wells in the same territory and all but 100 of them be dry.

Mr. CARTER of Oklahoma. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. CARTER of Oklahoma. And in that case, if the 160 acres had not been developed, the chances are that in that territory they had pretty good evidence before of that fact.

Mr. GREEN of Iowa. Yes; I think that is true, but nobody ever heard of such a case as the gentleman from Missouri assumed might exist.

Mr. LOZIER. Just one other question. Is it not true that a landowner—

Mr. GREEN of Iowa. I do not yield further to the gentleman.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. MILLS. Mr. Chairman—

The CHAIRMAN. The gentleman from New York, a member of the committee, is recognized.

Mr. MILLS. Mr. Chairman, it seems to me it is desirable to make it entirely clear to the House what the committee has done, as this is a very important amendment. It is an amendment which the Treasury tells us will remove 90 per cent of the difficulties which they have in connection with a proper assessment of the depletion clause. Hitherto a man could claim discovery depletion provided the well was discovered on territory not proven at the time he purchased it. We are now providing that in order to get discovery value the territory must be unproven territory at the time he discovers it, which is a very important and far-reaching provision, and which we think will to a large extent remove whatever abuses have existed up to the present time.

Mr. GARNER of Texas. Will the gentleman make an illustration just there for the benefit of the House, or I will do it, if the gentleman will permit?

Mr. MILLS. I will gladly permit the gentleman to do it.

Mr. GARNER of Texas. Under the present law, if you owned an acre of land and I owned an acre of land, which joined, and you dug a well and discovered oil, you would get discovery depletion. Now, if I dug a well and discovered oil, I also would get it, although my well might be within 100 yards of your well. That is correct, is it not?

Mr. MILLS. Yes; that is correct, because of the provision that your acre was unproven territory when you purchased it.

Mr. GARNER of Texas. Now, under the proposed law, if you dig your well and make your discovery, and then I dig one and I make a discovery, I will not get it. Now, some gentlemen have asked the reason for making it 160 acres. I have replied, "Why make it 640 acres, 1,000 acres, or 10,000 acres?" It has been made 160 acres because the geologists and engineers

say that is as near as they could come in defining what they think ought to be a reasonable point, and that is the rule, based on practical experience for a number of years, which the Treasury finally adopted as a part of its regulations, and which we now feel justified in writing into the law. It is based on the views of the geologists, and it is based on the best practical evidence acquired in the administration of law. They have found that 160 acres is a limit which is as nearly right as any other limit they might adopt.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in five minutes.

The question was taken, and Mr. McKEOWN demanded a division.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent to withdraw the motion, and in lieu thereof ask unanimous consent that all debate on the proposed amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to withdraw his motion and asks unanimous consent that all debate close in 10 minutes. Is there objection?

There was no objection.

Mr. MONTGOMERY. Mr. Chairman, if I may, I want to answer, in a way, the question of the gentleman from Missouri [Mr. LOZIER].

I want to draw to the attention of the gentleman the fact that the original cost in the drilling of an oil and gas well is not all that should be charged against a particular property, for the reason that in the ordinary course of the development of oil properties the individuals and companies to protect their interests must incur large and tremendous expenses in geological departments; they must also incur expenses in their scouting and other departments; and if they are not allowed to charge those expenses to a discovery well, that is lost and lost to them forever.

I want also to say to the gentleman from Illinois that this particular measure is not a measure that the big man can take advantage of and the little man can not. It is exactly the contrary. You will bear in mind, gentlemen, that over 50 per cent of the oil that is developed and produced is developed and produced by the independent producers, and that the big man in his diverse course of development, the law of average, will permit him each and every year to charge in his dry holes against some discovery well, but the little man does not have a discovery well, and he can not do that. If this measure is so modified as suggested, it will stifle the genius and the industry of the little man entirely, and when you do that you are going to affect the source of supply and demand, and you are going to affect the price of gasoline, and in the end the consumer will pay the price and pay the tax that this amendment would saddle onto the oil man.

I want to say further, the only objection I have to this measure is it is not broad enough. It does not permit the oil man sufficient latitude, and I think that the old act, which went into effect, I believe, in February, 1924, is the one that should prevail at this time. I do not believe the gentleman from Missouri can cite one single instance where the oil man or the oil industry in its entirety has ever taken advantage of that particular provision, and I will give him full privilege to present the Couzens report in that regard.

I am going to vote for this measure. I am going to vote for it in its entirety because I think it is a salutary and a much-needed piece of legislation; but I want to tell the gentlemen of this House that I bow my head, and I bow the head of the men in the oil industry in my district, to the whole good of the whole United States when I do it, because this particular provision is not wide enough and does not permit sufficient latitude to this one great industry in my congressional district. [Applause.]

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, I had thought it probably not best to say anything on this matter, but since it has come to be charged that the legislative branch of the Government has been derelict in its duty because, forsooth, some large oil companies, perhaps, have gotten credit for more than they were entitled to in some settlement with the department, they come here and want to spoil a tax bill that has been thought out carefully and which, in my judgment, does not give the oil operator a fair opportunity by putting in this 160-acre provision.

The policy of the committee from the outset upon this subject has been to safeguard the interests of the United States from time to time. Every act that the Congress has passed has looked to the safeguarding of the interests of the United States.

By this bill you are limiting it to 160 acres, and you have no right to assume, from experience in the oil fields, that 160 acres is a fair unit. It is the unit contended for by the Treasury Department; it is the unit agreed upon by them; but, gentlemen, here are the facts: Every man who has been in the oil fields knows that you may have a 1,000-barrel well on this 10 acres of land, and across the road there will not be a drop of oil, and you can not find any oil although you drill until you drill out your pocketbook.

I think there are more oil wells in my district than any other district in Oklahoma, unless it is the district of the gentleman from Carter County [Mr. CARTER], and experience there shows that the average output is two barrels and a half of oil; and yet in that district there are wells producing 2,000, 3,000, and as high as 4,000 barrels of oil a day.

Gentlemen, how do these drilling programs get started? Some fellow goes down there and takes a few leases. The gentleman from Oklahoma [Mr. GABER], who has had very good luck in the oil game, knows what I am telling you is the truth. You go out there and you take a map with you and you get a bunch of leases, and then the little fellow makes a location and he goes to the different oil people who want to take a venture and he sells a lease here and a lease there and checkerboards it and holds a little tract of 40, or maybe 80 acres for his part of the work. Then they go ahead and drill. There is nothing on earth that will tell you where oil is except the drill. I do not care how much money you spend on geologists, there is nothing but the drill will tell you the story, and that is the thing that does tell you the story.

Mr. LOZIER. Will the gentleman yield for a question?

Mr. McKEOWN. Yes, sir.

Mr. LOZIER. The gentleman from Oklahoma said the Standard Oil Co. did not develop oil lands, and I will ask the gentleman if there is any district in the mid-continent field where oil is developed where it is not determined after it is developed that the Standard Oil Co. through its scouts and private employees has acquired thousands of acres of leases?

Mr. McKEOWN. Well, sir, I will give you an illustration that shows—

Mr. LOZIER. Is not that true?

Mr. McKEOWN. Not always; and I will give the gentleman an illustration. As the gentleman from Oklahoma [Mr. CARTER] knows, the fields that were discovered in Carter County are the only fields I know of anywhere where the independent fellows of the county and of his own city reaped the benefit, because they went out and took the venture on the leases to start with.

I will now answer the gentleman. As soon as oil comes to the top of the ground anywhere, the scouts of all the oil companies—not only the Standard, but every oil company that is in the business in the United States—come in on the first train, and they take every means they can to get leases at the best prices they can buy at.

Mr. CARTER of Oklahoma. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. CARTER of Oklahoma. Is not it a fact that not the Standard Oil Co. but its subsidiaries have scouts, and they go about and, instead of taking up undeveloped territory, they confine themselves all the time to territory which has been developed, and where it is shown that there is oil?

Mr. McKEOWN. They buy the stuff close up if they can get it.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. GARNER of Texas. Mr. Chairman, I made a request at the beginning of the consideration of this bill that all gentlemen who speak on the bill shall have unanimous consent to extend their remarks.

Mr. CARTER of Oklahoma. And that was not confined to general debate?

Mr. GARNER of Texas. Oh, no; everyone that speaks on the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SURTAX

SEC. 211. (a) In lieu of the tax imposed by section 211 of the revenue act of 1924, but in addition to the normal tax imposed by section 210 of this act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a surtax as follows:

Upon a net income of \$10,000 there shall be no surtax; upon net incomes in excess of \$10,000 and not in excess of \$14,000, 1 per cent of such excess.

Forty dollars upon net incomes of \$14,000; and upon net incomes in excess of \$14,000 and not in excess of \$16,000, 2 per cent in addition of such excess.

Eight dollars upon net incomes of \$16,000; and upon net incomes in excess of \$16,000 and not in excess of \$18,000, 3 per cent in addition of such excess.

One hundred and forty dollars upon net incomes of \$18,000; and upon net incomes in excess of \$18,000 and not in excess of \$24,000, 4 per cent in addition of such excess.

Two hundred and twenty dollars upon net incomes of \$20,000; and upon net incomes in excess of \$20,000 and not in excess of \$22,000, 5 per cent in addition of such excess.

Three hundred and twenty dollars upon net incomes of \$22,000; and upon net incomes in excess of \$22,000 and not in excess of \$24,000, 6 per cent in addition of such excess.

Four hundred and forty dollars upon net incomes of \$24,000; and upon net incomes in excess of \$24,000 and not in excess of \$26,000, 7 per cent in addition of such excess.

Five hundred and eighty dollars upon net incomes of \$26,000; and upon net incomes in excess of \$26,000 and not in excess of \$28,000, 8 per cent in addition of such excess.

Seven hundred and forty dollars upon net incomes of \$28,000; and upon net incomes in excess of \$28,000 and not in excess of \$30,000, 9 per cent in addition of such excess.

Nine hundred and twenty dollars upon net incomes of \$30,000; and upon net incomes in excess of \$30,000 and not in excess of \$34,000, 10 per cent in addition of such excess.

One thousand three hundred and twenty dollars upon net incomes of \$34,000; and upon net incomes in excess of \$34,000 and not in excess of \$36,000, 11 per cent in addition of such excess.

One thousand five hundred and forty dollars upon net incomes of \$36,000; and upon net incomes in excess of \$36,000 and not in excess of \$38,000, 12 per cent in addition of such excess.

One thousand seven hundred and eighty dollars upon net incomes of \$38,000; and upon net incomes in excess of \$38,000 and not in excess of \$42,000, 13 per cent in addition of such excess.

Two thousand three hundred dollars upon net incomes of \$42,000; and upon net incomes in excess of \$42,000 and not in excess of \$46,000, 14 per cent in addition of such excess.

Two thousand eight hundred and sixty dollars upon net incomes of \$46,000; and upon net incomes in excess of \$46,000 and not in excess of \$50,000, 15 per cent in addition of such excess.

Three thousand four hundred and sixty dollars upon net incomes of \$50,000; and upon net incomes in excess of \$50,000 and not in excess of \$60,000, 16 per cent in addition of such excess.

Five thousand and sixty dollars upon net incomes of \$60,000; and upon net incomes in excess of \$60,000 and not in excess of \$70,000, 17 per cent in addition of such excess.

Six thousand seven hundred and sixty dollars upon net incomes of \$70,000; and upon net incomes in excess of \$70,000 and not in excess of \$80,000, 18 per cent in addition of such excess.

Eight thousand five hundred and sixty dollars upon net incomes of \$80,000; and upon net incomes in excess of \$80,000 and not in excess of \$100,000, 19 per cent in addition of such excess.

Twelve thousand three hundred and sixty dollars upon net incomes of \$100,000; and upon net incomes in excess of \$100,000, in addition 20 per cent of such excess.

Mr. RAINEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.
The Clerk read as follows:

Amendment by Mr. RAINEY: Page 36, strike out lines 4, 5, and 6 and insert in lieu thereof the following:

"Twelve thousand three hundred and sixty dollars upon net incomes of \$100,000; and upon net incomes in excess of \$100,000 and not in excess of \$110,000, 20 per cent in addition of such excess.

"Fourteen thousand three hundred and sixty dollars upon net incomes of \$110,000; and upon net incomes in excess of \$110,000 and not in excess of \$120,000, 21 per cent in addition of such excess.

"Sixteen thousand four hundred and sixty dollars upon net incomes of \$120,000; and upon net incomes in excess of \$120,000 and not in excess of \$130,000, 22 per cent in addition of such excess.

"Eighteen thousand six hundred and sixty dollars upon net incomes of \$130,000; and upon net incomes in excess of \$130,000 and not in excess of \$140,000, 23 per cent in addition of such excess.

"Twenty thousand nine hundred and sixty dollars upon net incomes of \$140,000; and upon net incomes in excess of \$140,000 and not in excess of \$150,000, 24 per cent in addition of such excess.

"Twenty-three thousand three hundred and sixty dollars upon net incomes of \$150,000; and upon net incomes in excess of \$150,000, in addition 25 per cent of such excess."

Mr. RAINEY. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. RAINEY. Mr. Chairman and gentlemen of the committee, the object of the amendment proposed here is to make a maximum surtax of 25 per cent and make it apply upon net incomes in excess of \$150,000.

Mr. GREEN of Iowa. Will the gentleman permit me to make a unanimous-consent request in regard to time?

Mr. RAINEY. I will.

Mr. GREEN of Iowa. Are there any other gentlemen who desire to speak on this amendment?

[Mr. CRISP, Mr. LA GUARDIA, Mr. HULL of Tennessee, Mr. FREAR, Mr. DEAL, and Mr. MILLS indicated their desire to speak.]

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 3 o'clock this afternoon.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this amendment and all amendments thereto—

Mr. GREEN of Iowa. I will make it on the paragraph.

The CHAIRMAN. That all debate on the paragraph and amendments thereto close at 3 o'clock this afternoon.

Mr. CONNALLY of Texas. Reserving the right to object, will not the gentleman modify that and make it some definite time; we do not know what interruptions may occur.

Mr. GREEN of Iowa. Mr. Chairman, I will withdraw the request for the present.

The CHAIRMAN. The gentleman from Iowa withdraws his request and the gentleman from Illinois [Mr. RAINEY] is recognized for 10 minutes.

Mr. RAINEY. Mr. Chairman and gentlemen of the committee, the effect of this amendment is to make the maximum surtax 25 per cent and to make it applicable to incomes above \$150,000. The effect of it will be to add between \$15,000,000 and \$20,000,000 to this bill, and if it is adopted this amount can be applied, of course, to reducing the automobile tax, the admission tax, or any other of the sales taxes which are so oppressive on business. Now, under the bill as it is presented, and as it has been read, there is absolutely no surtax reduction upon net incomes under \$45,000. A net income of \$44,000 under the provisions of the bill presented here pays exactly the same surtax that a net income of \$44,000 pays now.

The tax paid by the net income of any amount under \$44,000 is exactly the surtax it pays now, down to net incomes of \$11,000, and that is as far as the surtax rate is imposed. There has been much opposition to this feature of the bill. Those of us who are on the committee and who are opposed to the bill can find no way in Committee of the Whole of remedying this very objectionable feature. We must leave that to the Senate. It is impossible to write a bill in Committee of the Whole, but these income taxpayers with incomes below \$45,000, are the real captains of industry in this country. They are the men who carry on the business of the country. They are the men whose capital is actively employed and who are actively employed themselves. They are the taxpayers who expected relief. They are the taxpayers who most needed relief. They are the very taxpayers who got no relief except the very small relief they get by a readjustment of the normal-tax rates.

We are proposing about the only thing that we can propose, unless higher rates are proposed, in order to make these surtaxes any better than they are. Under this amendment incomes of more than \$100,000 will commence to pay the increased rate provided in my amendment. Under the proposed bill all incomes above \$100,000 pay 20 per cent surtax. I propose to make them pay under this amendment from 20 to 25 per cent. That is a modest proposition indeed to present to this committee, in view of the fact that the present surtax rates of 40 per cent applicable to incomes above \$500,000 a year is applied only to 213 individuals in the United States. In order to satisfy those 213 individuals, with their very large incomes, we are redrafting this bill, and we are redrafting it in such a way that the small taxpayers, the real taxpayers, who are at the same time really actively engaged in business, do not get any relief. The income-tax proposition presented in this amendment will give us from \$15,000,000 to \$20,000,000 more in money. It will increase the surtax only on men with incomes of from \$100,000 to \$150,000 a year and larger incomes than that, and the amount of increase in surtax on an income of \$150,000 a year will amount to only \$1,000. It will add that much to the tax that such a man has to pay, and the tax is graduated down from that until we get down to \$100,000.

We offer this amendment as a partial solution of the problems presented to us now in this tax revision. The people of the country have a right to expect that the tax will be taken off industry. Inasmuch as the war has been over for so many years they have a right to expect that the tax shall be taken off automobiles, that all stamp taxes shall be taken off, that they shall no longer be compelled to pay taxes on admissions to theaters seven years after the ending of the war, for the payment of the expenses of which we imposed these taxes. The bill as it stands now before this committee unamended simply projects indefinitely through the future years a revamped war tax bill, from my viewpoint and from the viewpoint of some others, and does not give the relief that business is entitled to receive.

The number of men with large fortunes in this country, according to the statistics available now, is increasing with great rapidity. The number of men who pay \$1,000,000 or more than that in taxes alone every year is increasing with great rapidity. I know of no man in the United States with an income of a million dollars and over who is at the present time engaged actively in a wealth-producing business. Will some member of the committee who thinks he knows of such a man tell me now who he is? There is not such an income-tax payer in this country, not even the income of Henry Ford, perhaps the largest income of all. Why, he never changed the front of his automobiles until this year. He has never changed the carburetor on his automobile, the most expensive carburetor there is. At the present time, if we are to judge from the newspapers, his principal activity is collecting hoop skirts and antiques for his museums in some Michigan city and for his wayside inn somewhere in New England.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RAINEY. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAINEY. If the present accumulation of great fortunes continues in this country it will not be many years before the wealth of the country is all assembled in the hands of a half dozen or not more than a dozen families in the United States. Why are we dealing so gently in this bill with the men of large inactive fortunes? Is it because the millionaire industry in the United States has not been prospering? We have more than we had in any year in the past, except apparently during some extraordinary year of the war, when returns did not accurately indicate a man's income at all. I can not go into that.

Mr. LINTHICUM. Upon what theory is the tax on the income of a man under \$44,000 not reduced?

Mr. RAINEY. Upon the theory that you can not give a maximum of 20 per cent surtax and give them any relief. It can not be done; it is not a legislative possibility to give them any relief if we are going to give to the multimillionaires of Mr. Mellon's class the relief that they ask. It can not be done, and that is the reason it is not done in this bill.

Mr. EDWARDS. How many men in this country receive more than a million dollars in income a year?

Mr. RAINEY. Seventy-four. Two hundred and thirteen receive incomes of over \$500,000, and these are the men for whom we ask the taxpayers of the country and the business men of the country to make this tremendous sacrifice contemplated in this bill. It has been estimated by a prominent Wall Street authority that if Henry Ford's income keeps on increasing as it is increasing now for the next 11 years, if he lives that long, in 11 years from now his income will be \$1,000,000 every day in the year. We have expert counters up here in the Treasury Department who count money, and they can count only 8,000 silver dollars in an hour. If Mr. Ford and Mr. Mellon had commenced to count silver dollars for eight hours a day the minute they were born and had done nothing else, had been without any museum or hoop-skirt activities or aluminum activities until the present time, neither of them up to the present time could have counted much more than one-half as much as he is worth. The combined net income of Henry Ford and Edsel Ford at the present time is \$1,000,000 every five days. Is not that enough?

Mr. HUDSPETH. The argument has been made here that the higher this surtax is raised beyond 20 per cent the less we will collect. I would like the gentleman's views on that.

Mr. RAINEY. That is all nonsense. If that were true, these fellows who have big incomes would not be here trying to get them reduced. That is based upon the theory that they have

money in tax exempts that they will turn loose in business. They have not.

The releasing of capital for investment is a myth. There has been about \$9,000,000,000 in the last three or four years invested in foreign bonds to rehabilitate the industries of foreign nations to compete with our own.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. RAINEY. I will ask for five additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. RAINEY. There never was as much money available for industrial development in the United States as there is at the present time, and there never was as much available for investment in any other nation in all the world in all of the centuries as we have here now. Oh, it has been argued by gentlemen upon the floor, by a gentleman who always speaks for the multimillionaires, that if we make this tax law 20 per cent on \$100,000 and over we will get more money, because, he says, they will not then evade taxes as they do evade taxes now. How long has it been, if this statement is true, if men who have incomes above \$100,000 are so dishonest or so dishonorable or so unpatriotic as the gentleman states, and his argument rests upon that, that they have falsified their returns and concealed their incomes and refused to pay taxes upon them? If that is true, then the time has come to quit dealing tenderly with them. How long it seems back to the good old Roosevelt days in the Republican Party when we referred to these men of large incomes as "malefactors of great wealth," and if the statement of the gentleman from New York [Mr. MILLS] is correct, they are malefactors of great wealth now. This is a modest proposition. I would like to make it bigger than that. I would like for it to stay where it is, so far as I am concerned—that is where I think it ought to stay—but I am presenting here the most modest proposition that can be presented to this House, a proposition which simply makes these multimillionaires put in the Treasury of the United States \$15,000,000 to \$20,000,000 more of their incomes, which will permit us to take off much of these oppressive taxes on automobiles, if you want to do that. There are some more amendments which I propose to present later on which will, without interfering with the scope of this bill or its principle or purpose, add more to the amount we can put back into this bill, until we will have enough to take off the automobile tax and tax on admissions.

Mr. McSWAIN. Will the gentleman yield?

Mr. RAINEY. I will.

Mr. McSWAIN. Now, in my country a man who gets \$25,000 or \$30,000 is considered a very rich man. Do you mean to say the men who agitate this provision and reduction do not get any benefit at all?

Mr. RAINEY. They get only a slight reduction in the normal tax; they get no reduction in the high surtaxes they pay.

Mr. McSWAIN. Did not the representative of Henry Ford—

Mr. RAINEY. Only the incomes above \$44,000 get any surtax relief.

Mr. LINTHICUM. What does the Secretary of the Treasury recommend as the highest surtax?

Mr. RAINEY. He recommended 25 per cent on \$100,000 and all over that. He would like to get along without any surtax at all on the very large incomes.

Mr. LINTHICUM. He only wanted 25 per cent as the aggregate, and the gentleman is only asking what he asked for.

Mr. RAINEY. Except that I ask it on the amount above \$150,000 and he asks it on amounts above \$100,000. That is the Mellon plan of last year.

Mr. CONNERY. Will the gentleman yield?

Mr. RAINEY. I will.

Mr. CONNERY. Will the different amendments which the gentleman offers, if they pass the House, give enough money to cut out the automobile tax and the general-admission tax?

Mr. RAINEY. We can raise the general-admission tax to apply to admissions of \$1 and over. Some of my amendments I do not expect to go through. Those that I think ought to go through will enable us to take all the taxes off the automobiles and to almost completely remove the tax on admissions?

Mr. MONTAGUE. Will the gentleman yield?

Mr. RAINEY. I will.

Mr. MONTAGUE. For information. Does Mr. Mellon still recommend the 25 per cent or 20 per cent surtax?

Mr. RAINEY. He says we could get along with about 20 per cent now. Last year the Mellon plan contemplated a maximum surtax of 25 per cent. His taxes have increased several million dollars during the period we had publicity, by some strange circumstance.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LaGUARDIA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LaGUARDIA. Will I have an opportunity to offer a substitute at any time during this debate, or does the fact that the gentleman has taken the floor on his amendment preclude me?

The CHAIRMAN. Before the close of the debate the gentleman will have an opportunity to offer his amendment.

Mr. LaGUARDIA. Subject to his pending amendment?

The CHAIRMAN. The Chair can not decide in advance what the gentleman has a right to offer. The Chair recognizes the gentleman from New York.

Mr. MILLS. Mr. Chairman, I ask unanimous consent to proceed for 15 minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for 15 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. LaGUARDIA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LaGUARDIA. Do I understand the Chair has not decided whether I have a right to offer a substitute to the pending amendment?

The CHAIRMAN. The Chair said the gentleman would not be foreclosed in his right.

Mr. MILLS. Mr. Chairman, the gentleman from Illinois [Mr. RAINEY] expressed great solicitude for the men with incomes of \$40,000 and \$50,000 and \$60,000 and \$70,000, but the amendment he has offered does not in any way apply to those gentlemen, and if we made the reduction which he vaguely mentions in those particular brackets, far from being able to take off the automobile and admission taxes, we should be obliged substantially to increase the proposed rates. Nor does the amendment the gentleman has proposed do what he says it would do in the way of permitting the further reduction of automobile taxes, which amount to \$66,000,000, and admission taxes, \$33,000,000. To suggest that by putting an additional 5 per cent credit in \$10,000 brackets on amounts ranging from \$100,000 to \$150,000 will yield \$97,000,000, or some such approximate amount, is too preposterous to be worthy of serious attention. We would not pick up more than \$13,000,000.

Mr. RAINEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. Certainly.

Mr. RAINEY. I did not make any such statement as that. "The gentleman" said that if we would adopt his amendment we could repeal what is left of the automobile tax and repeal the admission tax, and I said "and other taxes." I suggested that we take \$25,000,000 off the automobile tax.

Mr. MILLS. The gentleman has led the House to believe that we are not doing anything substantial in the way of benefiting the men with an income ranging from \$40,000 to \$70,000. The mere fact that you do not touch a particular bracket does not mean anything at all. I do not know of anyone who knows how much he pays in a particular bracket. All of the incomes referred to by the gentleman will receive a very substantial reduction. Take, for example, the income of \$40,000.

Mr. EDWARDS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. No; I regret that I must decline to yield just now.

The CHAIRMAN. The gentleman declines to yield.

Mr. MILLS. The rate on \$40,000 has been reduced from 10 to 8.59 per cent. The man with \$50,000 has had the percentage on his total income which he pays in taxes reduced from 12.28 to 10.71 per cent.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I regret I can not yield. The man with an income of \$60,000 a year has his taxes reduced from 14.46 to 12.43 per cent of his income—very substantial reductions right down the line.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield now?

Mr. MILLS. Yes.

Mr. LINTHICUM. The gentleman said on incomes from \$44,000 down.

Mr. MILLS. No. Incomes from \$40,000 down get a much greater reduction than anyone else, particularly below \$20,000. There is no doubt about that. You have to get up to \$10,000 of taxable income to pay even 1 per cent of your income in taxes under the proposed bill.

Do you realize that the man with an income of \$10,000 paid \$830 under the 1918 act, and he will pay only \$101 in 1926? There is no question about the men below \$40,000. They get a very substantial reduction.

Mr. DAVEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I regret I can not. The gentleman wants to increase the maximum from 20 per cent to 25 per cent. I do not think there is anything to be gained by going over the old argument which has been rehearsed on the floor of this House time and time again, and in discussing the surtax rates to-day I want to discuss them from an entirely new angle, because I think the time has come, with the adoption of what I consider to be a peace-time revenue bill, to consider income taxes from this new angle. I say to-day the income-tax system must be saved from the discredit and unpopularity which now threaten, not only for the sake of the Federal revenue but because among the States and localities it is the best and most scientific method of reaching intangible wealth for purposes of taxation.

I say to you, gentlemen, that the revenue acts of 1921 and 1924 are so discrediting the income tax in this country and are rendering it so unpopular that income taxation as such is rapidly being discredited in the United States to-day, and so becoming unavailable for State purposes.

I have already discerned some very definite signs as to the extent to which income taxation is being discredited, and I am going to ask you to bear with me long enough for me to describe to you what has happened and what is happening in the State of New York, because the State of New York is exhibiting very faithfully on a somewhat larger scale, it is true, the same current of opinion found elsewhere in the country to-day. I know that in any tax discussion on the floor of this house New York is usually spoken of as a colony of multimillionaires, cutting coupons and drawing dividends from the capital and industry of the rest of the country, and we seem to forget that New York City is the biggest manufacturing and industrial center in the United States and that New York is as a whole one of our great agricultural States.

What does that mean, gentlemen? It means that the bulk of our 10,000,000 people are wage earners and farmers. And I want to point out to you what is happening to-day to those wage earners and farmers under our State and local tax systems. The total tax receipts collected by the Federal Government in 1916 averaged \$654,000,000. That is for the whole United States. In 1923 we collected in State and local taxes in New York \$634,000,000. In other words, we collected in the year 1923 for State and local purposes almost as much as the Federal Government collected prior to 1916 for all of its purposes. To-day that huge sum which I have just mentioned is already larger, I should say, by \$100,000,000.

How is this \$640,000,000 raised, gentlemen? Five hundred million dollars of the \$640,000,000 is paid by a direct tax on property, and that means that of the \$640,000,000, \$500,000,000 to-day is being paid by farmers and rent payers in the State of New York.

Let there be no doubt as to the character and weight of the burden. A legislative committee of the State of New York found no earlier than February of this year:

In some jurisdictions the tax rate on an estimated full valuation basis is now between \$40 and \$50 per thousand. Property taxes are consuming 30 to 50 per cent of net income from property in the prosperous agricultural sections of the State.

That is what New York farmers are paying, from 30 to 50 per cent on their net income.

And from 10 to 40 per cent of the net income from city property.

Now, get this picture, gentlemen. The taxable realty in New York State is valued at \$20,000,000,000, and it contributes, as I have already told you, \$500,000,000 to the support of our State and local governments. Intangible wealth in the State of New York—that means, moneyed capital and securities—is valued at \$29,000,000,000, and it only contributes \$70,000,000 to the support of our State and local governments. This is an injustice that has long been recognized in the State of New York, and it is an injustice—may I be permitted to say from a careful study of the situation—which exists to a greater or lesser degree in every State in this Union.

We sought to remedy this injustice for many years by trying to reach intangible personal property the way all the States have attempted to reach it, namely, by a direct tax levied at the general property rates, but we failed the way every other State in the Union has failed. We got only \$8,000,000 out of it. Then in 1917 we repealed the direct property tax on intangible property and we levied an income tax. Oh, a very small, moderate income tax. Just think of it—1 per cent on the first \$10,000,

2 per cent on the next \$40,000, and 3 per cent on incomes above \$50,000. That was modest, small, and moderate enough, was it not? Yet moderate and small as it was, we succeeded in making intangible wealth contribute \$38,000,000, as compared with only \$8,000,000 under the old general property tax.

Now, frankly, as long as the Federal Government continued to tax incomes at 73 per cent, then 58 per cent, and then 46 per cent, it was impracticable for the State of New York to increase its personal income tax rates. But in view of the situation which I have described, in view of the fact that \$29,000,000,000 of intangible wealth was contributing only \$70,000,000, and \$20,000,000,000 of real property was contributing \$500,000,000, surely, surely that modest 3 per cent tax on incomes should not have been decreased.

And yet—and this is the point of my whole story, gentlemen—in the face of the fact that intangible wealth was not beginning to contribute its fair share to the support of our local and State governments, they decreased that 3 per cent income tax in the State of New York by 25 per cent both this year and last. You may well ask how such a thing could be done. I will tell you why: Because the Federal income tax, as administered under these excessive rates, has made the very name "income tax" so unpopular that the popular thing to do, politically speaking, is to attack the income form of taxation, and that is why certain politically minded gentlemen in the State of New York advocated a reduction of our modest and ridiculously small little 3 per cent tax. Their analysis of the political situation was so correct, gentlemen, that popular opinion forced the New York State Legislature to reduce that 3 per cent tax by 25 per cent. That popular opinion, gentlemen, was not based on the economic facts which I have given to you as to the burden of taxation in the State of New York; that popular opinion was based on prejudice against the income form of taxation as such. And what created that prejudice? The fact that the Federal Congress has persistently attempted with the Federal income tax to do more than it could, because it has attempted to levy it at rates that could not be collected. That necessarily brought the enforcement of the law into disrepute and disrespect. Thus we are beginning to see the results of our own lack of moderation. While professing to be earnest and zealous friends of a progressive income tax, we have been busily engaged in discrediting it in the popular mind. You may say New York State is not a fair example. I tell you that New York State, in this particular instance, is as fair an example as can be found, for the man who led the attack on the State income tax was not some leading financier, or some representative of the business interests, but the governor of the State, who professes to be the true representative of the working classes.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MILLS. Mr. Chairman, I ask for an additional five minutes.

Mr. LINTHICUM. Mr. Chairman, I ask as a substitute that the gentleman be allowed 10 additional minutes and that he answer a question from me and the gentleman from New York [Mr. O'CONNOR].

Mr. GREEN of Iowa. I hope the gentleman from Maryland will permit the gentleman from New York to make his own request. If the gentleman from New York does not want 10 minutes, please do not force it on him because we are not going to have an abundance of time.

The CHAIRMAN. The gentleman from New York asks unanimous consent that his time be extended 5 minutes and the gentleman from Maryland asks that his time be extended 10 minutes. Is there objection?

Mr. O'CONNOR of New York. Mr. Chairman, reserving the right to object, does the gentleman object very strenuously to answering any questions?

Mr. MILLS. No. The gentleman knows very well that I will answer any question he may care to ask, only I do not like to be interrupted in the middle of a sentence. That is all.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland that the time of the gentleman from New York be extended 10 minutes?

There was no objection.

Mr. MILLS. Now, if the gentleman will let me complete this one statement, I will answer his question.

Gentlemen, golf and taxation have two things in common. Neither at golf nor in the field of taxation must you press and overswing. You do not get the best results, and in both games you want to keep your head down, though for different reasons. [Laughter.]

Mr. LAGUARDIA. How about the accuracy of the count? Have they that in common?

Mr. MILLS. I will now yield to the gentleman from Maryland.

Mr. LINTHICUM. The gentleman from New York said that under the old tax on intangible property they only received five or six million dollars.

Mr. MILLS. Eight million dollars.

Mr. LINTHICUM. And under the income tax they received \$39,000,000?

Mr. MILLS. Thirty-eight million dollars.

Mr. LINTHICUM. The income tax, however, covered the entire income, did it not, whereas the intangible tax only touched the intangible property; and would not that make a vast difference?

Mr. MILLS. I know; but we had \$29,000,000,000 of intangibles, and we only collected \$8,000,000, so it was really a complete failure and an admitted failure. The tax was 2 per cent on capital value or a 40 to 50 per cent income tax and brought in only \$8,000,000. Three per cent on incomes brought in \$38,000,000, showing the advantage of moderation; but that is not the point I had in mind.

Mr. LINTHICUM. We have an intangible tax in our State, and we are getting along pretty well.

Mr. MILLS. But you have it at a classified rate. You have a classified property tax, which is the next best thing to a straight income tax.

I now yield to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR of New York. I understood the gentleman to say that this year some persons for political reasons, as he thought, had reduced the income tax in New York 25 per cent. Is that correct?

Mr. MILLS. Absolutely.

Mr. O'CONNOR of New York. Is it not the avowed program of the Republican Party in the Legislature of the State of New York this year, the party in which the gentleman takes such an active part, to entirely eliminate and wipe out the State income tax?

Mr. MILLS. Certainly not; and if they did, I should resist it to the very end.

Mr. O'CONNOR of New York. Does not the gentleman know of such a rumor, and has the gentleman not seen such a program published in the papers?

Mr. MILLS. I have not; and if it is suggested, I will say to the gentleman it would be absolutely inequitable.

Mr. O'CONNOR of New York. If that is done, will the gentleman say it is done for political reasons?

Mr. MILLS. Yes; there is no conceivable economic reason to justify such a course. [Applause.]

There is another aspect of this situation that is going to engage our attention or the attention of the people very soon. The real tax problem of the United States in the future will not be found in this Capitol. It will be found in the capitols and city halls throughout the country. Raising \$2,500,000,000 in internal-revenue taxes for Federal purposes is not an economic problem of any magnitude in a country as rich as ours; but, gentlemen, in 1924—think of it—States and localities raised in taxes \$4,812,000,000, and they are increasing their expenditures at the rate of about 10 per cent a year. There is the real tax problem in the United States.

To-day this huge sum is being raised, generally speaking, from real property, which is being compelled to contribute from 80 to 90 per cent of that \$4,800,000,000. How to distribute this huge burden more equally is the pressing problem and resolves itself into the question of how can we best reach other sources, such as intangible wealth, so as to make it pay its share of the cost of local and State governments.

The property tax has failed. I will say to you, gentlemen, based on very careful study and our own experience, the experience of Wisconsin, the experience of Massachusetts, and the experience of New York, that income taxation is the most scientific and fairest method of reaching intangible wealth for purposes of taxation. [Applause.]

One of the reasons I have contended throughout—in 1921, in 1924, and again to-day—for reasonable income-tax rates in our Federal income tax is to preserve this source of revenue for the States, first, by not discrediting it and making it so unpopular that we can not adopt it in the States; and secondly, by levying rates so reasonable that the States will be in a position to impose themselves moderate income taxes.

This is the same reason that impels me to advocate low Federal taxes on estates; and, ultimately, to have the Federal Government get out of the field. I say to you that the tax problem in the United States to-day is the problem of how to raise money for local and State needs, and to the extent the Federal Government steps aside and releases these sources for local and State purposes, just to that extent does it con-

tribute to the solution of the real tax problem in the United States to-day.

It is because this bill in its essential features recognizes this one fundamental principle of moderation, and so to the extent that we here in Washington can help, does help the States to build up a tax system of their own that will distribute the burden equally and scientifically, that I think this bill is one of the best bills that could be drafted and passed at this time. [Applause.]

Mr. CRISP. Mr. Chairman, I did not take any time during general debate and I would like to ask unanimous consent that I be given 10 minutes at this time.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to proceed for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. CRISP. I thank the House. I had the honor of serving on the Ways and Means Committee when this bill was drafted, and there was no politics in the consideration of the measure, which fact was most gratifying to me. I had the same voice in the preparation of this bill as any other Member, and I think it is a good bill, and the best tax bill that has come out of that committee since the war. [Applause.]

I have no apologies or excuses for this provision fixing the maximum surtax at 20 per cent. I agreed to it in the committee. I am still for it, notwithstanding some may say that by advocating it I am standing with the plutocrats and the millionaires. I am painfully reminded every day I am not one of them. I wish I were. [Laughter.] But I have the profoundest respect for rich men who have honorably acquired their fortunes, and there are many of them in this country to-day. Many of them are true philanthropists, who render valuable assistance to their fellow man by charities and furnishing employment. I will not, with my vote, punish them merely because they are rich. I think under the law they are entitled to a square deal and should be given equitable, just treatment at the hands of the lawmakers. When I think they are right, I will stand with them. When I think they are wrong, I will oppose their position. But, gentlemen, in my opinion—I have no criticism to make of any who differ from me—in peace time, no matter what a man's income is, if he pays 25 per cent of it to the Federal Government and in addition pays his State, county, and city taxes he is contributing his share toward maintaining the Government. If you take the maximum surtax rate of 20 per cent and the normal-tax rate of 5 per cent, the man with a large income in the upper brackets is paying not only 20 per cent, but is paying 25 per cent on that part of his income. A man enjoying an income of \$500,000 under the present bill will pay the Government \$116,959.38; with an income of one million he will pay \$241,959.38; and if he has an income of five millions he will pay the United States Treasury \$1,241,959.38. Is not this his part of Federal expenditures? A citizen with an income of \$5,000 will pay only \$16.88, and one with \$10,000 will pay only \$129.38. Each man pays according to his ability to pay, which I think is right.

I am an earnest advocate and believer in a graduated income tax and believe that a man should pay to the Government according to his ability to pay. I say in peace times a man who pays 25 per cent is paying his proportionate part of the burdens of government. If the exigencies of the Government are such that they require more money, then I say unquestionably increase the higher rates and make the man with the larger income pay more.

But what is the condition that confronts us to-day? The Secretary of the Treasury says there is a large surplus in the Treasury and that taxes can be reduced \$200,000,000. We have reduced them by this bill \$325,000,000. That, of course, carries with it the fact that the Government to-day collects more revenue than we need for governmental purposes. If that is true, everybody is entitled to a tax reduction, and, gentlemen of the committee, everybody in the United States is given a very substantial reduction in this bill, and men that get the greatest tax reduction since the high tax rate of 1918 are the men with incomes under \$50,000. This bill relieves from all income taxes 2,300,000 citizens who now pay them. Raising the exemptions from \$1,000 to \$1,500 for a single person and from \$2,500 to \$3,500 for a head of a family accomplished this beneficial result, and I was glad to have had a part in bringing it about.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. CRISP. I will.

Mr. HUDDLESTON. How about the poor people who consume tobacco? They get no reduction.

Mr. CRISP. I think the poor man who uses tobacco is satisfied to pay his part of Government expenses. The gentleman

from Alabama did not appear before the Ways and Means Committee asking for a reduction of the tobacco tax.

Mr. HUDDLESTON. I do not think there was any necessity for my appearing when sitting on the committee was the gentleman from Georgia [Mr. CRISP], who is as sympathetic with users of tobacco as I am.

Mr. CRISP. The Government must have revenue, and it has been the practice and the policy of the country for time immemorial to collect some revenue from tobacco in all its forms—chewing tobacco, smoking tobacco, cigars, and cigarettes. The tax has a universal application and works hardship on no one.

Mr. HUDDLESTON. Will the gentleman yield for one more question?

Mr. CRISP. I will.

Mr. HUDDLESTON. I am informed that the tobacco tax had its origin during the Civil War as a war measure for the purpose of raising revenue to carry on that war. Does not the gentleman feel that, when we are reducing taxes to what they were before the World War, that we ought to remember the poorer taxpayers, who are unable to get themselves heard before the committee?

Mr. CRISP. Answering the gentleman's question seriously, the Government of the United States must have money to meet its expenditures, and I believe it is better to raise that money from the nonnecessities of life than from the necessities of life. [Applause.] I am an excessive user of tobacco. I therefore pay my part of the tax, but I know it is not a necessity of life. As a matter of fact we would all be better off if we let it alone. But it has been the policy and the practice of the Government of the United States to raise some of its revenue by the taxation of tobacco, and I do not think it imposes any hardship on anyone.

Mr. BURTNESS. Will the gentleman yield?

Mr. CRISP. I would like to go on with my remarks, but I will yield to the gentleman.

Mr. BURTNESS. In relation to what the gentleman said about everybody getting a reduction of tax, in the matter of corporations and, particularly, those earning only a moderate income, say, 7 or 8 per cent, and who have not received any reduction since 1919, what would the gentleman think of adopting such an amendment as would reduce the taxes on corporations—

Mr. CRISP. There has been a great reduction of corporation taxes since 1919 in the excess-profit tax, and other taxes on corporations have been repealed. The committee would like to have reduced the corporation tax at this time, but the Treasury Department stated that the needs of the Government were such that they could not reduce it and carry on the other reductions, and the committee was of the opinion that the other reductions were of greater importance and would give greater relief to more people than it would to reduce the corporation tax.

Mr. BURTNESS. My question applied to those corporations which earn only a small return up to 8 per cent.

Mr. CRISP. They are given a flat exemption of \$3,000 before the tax applies, and, in my opinion, the small corporations are not paying more than their just share of Government expenses.

Now, gentlemen, why did the committee reduce the maximum tax to 20 per cent? We did it because of all the economists that appeared before the committee—Professor Seligman, of Columbia University; Doctor Adams, of Yale; the Delano Tax Committee; other economists; and the Secretary of the Treasury and other Treasury officials—said that was the amount, in their judgment, that would produce the maximum amount of revenue and not seriously interfere with business; that there would be less attempt to evade taxes if that rate prevailed, and that it would produce ultimately the greatest amount of revenue to the Government. The committee was furnished evidence by the Treasury Department that each time in the past that the maximum surtax rate had been reduced the lower rate produced more money than the higher rate just repealed. [Applause.] I was willing to try out their suggestion. Gentlemen, I believe practically all taxes paid by manufacturers and going business concerns are passed on to the consumers, and, in my judgment, if the higher taxes are reduced, the consumers will benefit thereby by being able to purchase the necessities of life cheaper. In the committee to get higher personal exemptions, I agreed to a 20 per cent rate, and I shall stand by my agreement.

Under the leave to print, I shall attach to my remarks a table showing the amount of taxes paid by the taxpayers under the revenue act of 1918, and the amount they will pay under this bill. Since the war, Federal taxes have been reduced about

\$3,000,000,000, while State, county, and city taxes have been pyramided. The taxes to-day bearing heaviest on our citizens are not Federal, but are State and local taxes. Taxes are almost confiscatory and the Federal and State Governments should practice the strictest economy and reduce all taxes to the lowest level consistent with the needs of the Government economically administered.

Comparison of the amount of tax for 1918 under revenue act of 1918, and under the proposed bill

Income	Tax for 1918	Tax under proposed law	Percentage of reduction from 1918 act
			Per cent
\$5,000.....	\$180.00	\$16.88	90.60
\$10,000.....	830.00	129.38	84.41
\$15,000.....	1,070.00	409.38	75.49
\$20,000.....	2,630.00	819.38	68.84
\$25,000.....	3,720.00	1,359.38	63.46
\$30,000.....	4,930.00	2,019.38	59.04
\$35,000.....	6,170.00	2,779.38	54.95
\$40,000.....	7,640.00	3,639.38	52.36
\$45,000.....	9,230.00	4,599.38	50.49
\$50,000.....	10,940.00	5,559.38	49.18
\$55,000.....	12,780.00	6,609.38	48.28
\$60,000.....	14,740.00	7,659.38	48.04
\$65,000.....	16,830.00	8,759.38	47.96
\$70,000.....	19,040.00	9,859.38	48.22
\$75,000.....	21,380.00	11,009.38	48.51
\$80,000.....	23,840.00	12,159.38	48.78
\$85,000.....	26,430.00	13,359.38	49.45
\$90,000.....	29,140.00	14,559.38	50.04
\$95,000.....	31,980.00	15,759.38	50.72
\$100,000.....	34,940.00	16,959.38	51.18
\$500,000.....	322,940.00	116,959.38	63.78
\$5,000,000.....	3,842,940.00	1,241,959.38	69.79

The CHAIRMAN. The time of the gentleman has expired. Mr. GREEN of Iowa. Mr. Chairman, I would like to see if we can not make some arrangement as to closing debate.

Mr. SABATH. Mr. Chairman, I want to say to the gentleman that I think it too early in the day to try to close debate.

Mr. FREAR. I want to suggest to the gentleman from Iowa that the gentleman from New York [Mr. LaGUARDIA] has a substitute motion, which he is to offer. He has been endeavoring to get the floor while others who are entitled to the floor have occupied it, and at the last moment he is placed in the position where he will not have a chance to explain his substitute amendment. I think for that reason the gentleman from Iowa should wait until he has had an opportunity to present it.

Mr. GREEN of Iowa. Mr. Chairman, I will postpone my request for a short time.

Mr. OLDFIELD. Mr. Chairman and gentlemen of the committee, I dislike very much to disagree with my friend from Georgia [Mr. CRISP], but I am in favor of the amendment of the gentleman from Illinois [Mr. RAINEY] for 25 per cent [applause], and I rise to state very briefly why I am in favor of the amendment. In the first place, during the consideration of the tax bill last year the Secretary of the Treasury did not ask then greater reduction than down to 25 per cent. He made all of the arguments for 25 per cent a little more than a year ago that he made for 20 per cent in this bill. The chief reason that I am for 25 per cent is that the proof shows, the record shows, all of the statistics show, that when men earn more than \$100,000 or \$150,000, or rather when they have an income of that amount, very few of them pay any normal tax, because their incomes are very largely derived from dividends, and there is no normal tax on dividends. Mr. McCoy told me, and I believe he told the committee, that 99 per cent, almost, of the incomes of \$1,000,000 and above in this country pay only surtaxes and pay no normal tax. The men who have those large incomes from dividends have largely what we term unearned incomes. Their wealth earns additional incomes for them. Many men in this country have salaries of \$50,000 a year, and many more have salaries of \$25,000 or \$30,000 a year, but there is a very limited number of men in America of incomes of \$100,000 and up. Of course, on the income that is earned, if they have a salary of \$100,000 per year, they would pay both the normal and the surtax; but after you get up to \$150,000 or \$250,000 or \$500,000 or a million dollars, nearly all of that escapes the normal tax altogether; and yet the argument is made here that 20 per cent surtax and 5 per cent normal tax makes 25 per cent. Of course, but the trouble is that most of the large incomes do not pay any normal tax. Therefore, why not fix the surtax at 25 per cent?

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. In a moment. I do not believe that the business men of America are interested to any great extent in having this tax cut down to 20 per cent, because it is not going to benefit them much because of the fact that most of their income is from dividends and they pay no normal tax anyway. I yield to the gentleman from Wisconsin.

Mr. FREAR. And the gentleman has failed to mention the fact, as has everyone, that undistributed profits, which in many cases amount to 68 to 75 per cent of the income, do not pay any income tax.

Mr. OLDFIELD. That is true. I think that is about all that I have to say in this matter. It is a very simple proposition. If you are going to cut the surtaxes down to 20 per cent, then cut them down to 20 per cent, but do not get it into your mind that you are going to have 25 per cent upon the theory that they have 20 per cent surtax and 5 per cent normal.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. MOORE of Virginia. It seems that on October 19 the Secretary of the Treasury appeared before the committee and he was not found insisting upon 20 per cent as the maximum surtax. What he said was this:

The point at which the most revenue can be derived with the least disturbance to business is one which can not be determined with certainty in advance, but at best it must be the result of experience. What this point is I have heard frequently discussed both in the Treasury and by economists. Some place it as low as 10 per cent, some at 15 per cent, but certainly it is not in excess of 25 per cent.

Mr. OLDFIELD. That is true.

Mr. MOORE of Virginia. The Secretary seemed to believe that 25 per cent was a fair and moderate rate, and by making the rate 25 per cent we would not be involved in all of these difficulties pointed out by the gentleman from New York [Mr. MILLS].

Mr. OLDFIELD. Absolutely not.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. OLDFIELD. Mr. Chairman, I ask unanimous consent for one minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. OLDFIELD. Secretary Mellon frankly said that the point was somewhere between 10 and 25 per cent. He did not insist that the point was 20 per cent and neither did he say that it was 10 or 15 per cent, nor that the point was not 25 per cent. Why not pick up these ten or fifteen million dollars here and relieve some other taxes? For example, you might relieve the poor corporations of the country that are not making any money of part of the capital-stock tax, or you might relieve the automobile tax of another per cent and make it 2 per cent instead of 3 per cent, and no man in this House can say in his conscience that 25 per cent surtax would be excessive taxation, because it is not. [Applause.]

Mr. LaGUARDIA. Mr. Chairman, I offer the following substitute for the Rainey amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Substitute offered by Mr. LaGUARDIA for the amendment offered by the gentleman from Illinois [Mr. RAINEY]: On page 36, line 4, strike out lines 4, 5, and 6, and in lieu thereof insert the following:

"Twelve thousand three hundred and sixty dollars upon net incomes of \$100,000; and upon net incomes in excess of \$100,000 and not in excess of \$200,000, in addition, 20 per cent of such excess.

"Upon net incomes in excess of \$200,000 but not in excess of \$250,000, in addition, 21 per cent of such excess.

"Upon net incomes in excess of \$250,000 but not in excess of \$300,000, in addition, 22 per cent of such excess.

"Upon net incomes in excess of \$300,000 but not in excess of \$350,000, in addition, 23 per cent of such excess.

"Upon net incomes in excess of \$350,000 but not in excess of \$400,000, in addition, 25 per cent of such excess.

"Upon net incomes in excess of \$400,000 but not in excess of \$450,000, in addition, 27 per cent of such excess.

"Upon net incomes in excess of \$450,000 but not in excess of \$500,000, in addition, 29 per cent of such excess.

"Upon net incomes in excess of \$500,000, in addition, 30 per cent of such excess."

Mr. LaGUARDIA. Mr. Chairman, my amendment simply brings up the rate to 30 per cent on incomes of \$500,000 and over. The gentleman from New York [Mr. MILLS] made the

startling discovery this morning that taxes are unpopular, and he states that he is going to popularize taxes by reducing the surtax on million-dollar incomes 50 per cent. Last year, when you had the Mellon tax before you, this House was indignant at the suggestion of a 50 per cent reduction of the surtax, and this year you seem to like it. I do not know what spell has come over this House, I do not know what has changed the sound viewpoint of the membership of this House, and particularly of the Democratic side of the House. When the gentleman from Georgia [Mr. CRISP], a great statesman who has always inspired me, takes the floor in opposition to the amendment offered by the gentleman from Illinois [Mr. RAINY] and supports the bill, it is disappointing and discouraging, to say the least.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I have not much time. Will the gentleman help me get more?

Mr. CHINDBLOM. From what viewpoint is it discouraging? From the party viewpoint of the gentleman?

Mr. LAGUARDIA. From the sound, economic, fair, just, equitable, American viewpoint. [Applause.] That is the viewpoint.

Mr. CHINDBLOM. But the gentleman was discussing the Democratic viewpoint.

Mr. LAGUARDIA. The gentleman knows that without the Democratic support of this bill it could not pass the House.

Mr. CHINDBLOM. Oh, no; the gentleman does not.

Mr. LAGUARDIA. And the gentleman knows that there are a number of timid Members on his side of the House who desire to vote against it.

Mr. CHINDBLOM. The gentleman does not know it.

Mr. ALLEN. Has there not been an election since?

Mr. LAGUARDIA. Yes; and I am here. [Applause and laughter.]

My colleague from New York [Mr. MILLS] laments the fact that there is too much tax on land and as a remedy for that he suggests reducing the income surtax. I can not follow the logic of that. The gentleman from New York, my colleague [Mr. MILLS]—I am glad he is in the Chamber now—says the income tax is unpopular. It is not unpopular in my part of the city, Mr. MILLS. [Applause.] I tell you the taxpayers in my district are making a fair return.

Mr. MILLS. Will the gentleman yield?

Mr. LAGUARDIA. I will.

Mr. MILLS. Was the income-tax reduction in the State of New York a movement lead by the financial interests or the business interests? Is it not a fact the income-tax reduction in the State of New York was led by gentlemen who generally are supposed to represent the wage earners and—

The CHAIRMAN. The time of the gentleman has expired.

Mr. LAGUARDIA. And the financial interests were right back of him saying, "You are all right, Al; go to it." [Applause.]

Might I have two more minutes?

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LAGUARDIA. Now, gentlemen, for the purpose of making the record, because after all this is only the court of first instance, and all we can do here apparently is to prepare the record for an appeal to the American people. I submit my amendment in all sincerity and earnestness. I hope to get as much support as the individual courage of the Members will permit. [Laughter.] If you get what I mean. We want to resent the 5 per cent extra allowance added to the Mellon plan, so generously given by the Ways and Means Committee who, as the gentleman from Texas [Mr. GARNER] said, goose-stepped out of the Ways and Means Committee at the command of Mr. Mellon with his pet measure. Let us establish the record. Let us pile up as many votes in support of my amendment, and if it fails we can rally to the amendment of the gentleman from Illinois as the next best means of opposing the ultra-Mellon plan. All my amendment will do, gentlemen, it will simply take an additional \$100,000 on every \$1,000,000 and incomes over \$500,000. The three gentlemen who are now paying taxes on incomes over \$500,000,000 will each pay \$500,000 more. That is very reasonable, coming from a liberal Member of the House.

Mr. CONNERY. Will the gentleman yield?

Mr. LAGUARDIA. I will.

Mr. CONNERY. I am glad to state, as one Democrat on this side, I will be glad to support the amendment.

Mr. LAGUARDIA. And coming from New England, great.

Mr. CONNERY. If the gentleman will yield further, I would like to ask the gentleman this. As the gentleman from Georgia [Mr. CRISP] spoke of Mellon as an economist I would like to ask the gentleman, as a soldier, what he thinks of such an economist when Mr. Mellon's spokesman told us on the floor of the House when the tax bill was up before that if we passed a tax bill reducing it \$300,000,000 we could not pay the soldier's bonus, yet we are doing it.

Mr. LAGUARDIA. The question answers itself. [Applause.]

Mr. SABATH. Mr. Chairman and gentlemen, I am in favor of the amendment offered by the gentleman from Illinois, as well as the gentleman from New York. In fact, I will support any and every amendment that will tend to eliminate the reduction in tax proposed in this bill for those that can best afford to pay, namely, all those having net annual incomes from \$100,000 up to \$1,000,000, and I shall surely do all in my power to stop the cut in incomes on those whose incomes are from \$1,000,000 and over, as this bill proposes.

Mr. Chairman, it is beyond my comprehension to follow the reasoning some gentlemen give for this tremendous cut, especially for the very richest people of our country. There are 74 of those whose net incomes are over \$1,000,000 whose taxes, according to your own figures as given in your report, are reduced nearly 70 per cent from the 1918 tax, while the average reduction of those whose incomes are over \$10,000 would be only about 51 per cent and 52 per cent. The only justification that you can show is perhaps that it was these people who furnished you the tremendous campaign contributions and who have wielded such power over the Republican Party so that they can dictate what you must and must not do.

Mr. Chairman, for the purpose of bringing home to the gentlemen on both sides, but especially to those who come from the Middle West and far off West who although elected on the Republican ticket classify themselves as Progressive Republicans—and by this I do not refer to the gentlemen from Wisconsin or Minnesota, but I mean the gentlemen not only from my own State, but especially Iowa, Kansas, Nebraska, Colorado, and the entire West. This bill reduces the taxes of the extremely capitalistic class without any substantial relief to the people in the districts and in the States that I have mentioned. And so that there can be no misunderstanding on the part of anyone I have compiled from the official figures given by the committee and by committee experts, given in a simplified form in order to bring home as clearly as can possibly be done the unjustifiable reductions not only for the 74 citizens whose incomes are over \$1,000,000 but also the unjustifiable reduction on the part of those the moment they come into the same million or millionaire class, namely, all those whose incomes are over one-quarter of a million dollars.

I hope that every Member will take at least one hour's time to study the figures that are to be found in the report on this bill as well as the Internal Revenue statistical report on income, from returns on net income for 1924, filed by individuals, and I feel that any sane man will easily detect from these figures the unjustifiable reductions on the so-called millionaire class.

Mr. Chairman, I do not wish to be understood by anyone that I am prejudiced against people of wealth; in fact, I love to see people succeed and admire people who through their honest efforts, courage, and determination prosper, and I care not how great their wealth is. But what I object to, what I am opposed to, is discriminating in favor of that class as against the less successful ones. Not only are we legislating in their favor, but, as the Couzens committee report shows, if perchance the law should reach them, they would find a way, as they have heretofore through underground channels, and evade this taxation in every way they can find.

The gentleman from New York [Mr. MILLS] in several of his strong appeals on the floor has tried to impress the country that these people did not object to any legislation to incomes or inheritance tax, or any other tax, if the percentage be reasonable; that they had not objected to and do not oppose it. Is it possible that the gentleman's memory can be so deficient? Why, Mr. Chairman, when the income tax, as well as the inheritance tax, was being considered the gentleman that represents and speaks for New York attacked those measures as socialistic and un-American, and in every conceivable way tried to prevent their adoption. The only people that did not object to paying their share of taxes were the small taxpayers. It is the man with the small income, it is the small manufacturer and the small business man, it is that group, the middle class of people, that do not object to paying their proportion of taxes. They do not send down to Washington their experts. The experts that appeared here in favor of this tremendous reduction

are all paid by that group of gentlemen whose incomes, as I stated, are from \$100,000 up. So how some of you gentlemen will be able to justify your vote for this bill I do not know. Unless we adopt some amendments eliminating this reduction on the class that I have designated, I feel if we are honest and sincere to our constituents and to the country it is our duty to amend this bill as proposed by the amendments that are now pending.

Mr. Chairman, I can not help but bring to your attention and to the country's attention this outstanding fact. Notwithstanding the repeated statements of the gentleman from New York and others, that the moneyed class and preferred class of the United States is willing to pay their share of taxation, and that they do not object to any fair taxation, I want to call your attention to the great amount of propaganda and publicity that was given in 1924 to the so-called Mellon plan; and even before that, in every newspaper of the country and in every magazine controlled by these interests we read of how the country suffered because of the income tax, due to the excess-profit tax and the income tax, and that the great financiers refused to invest their money and are investing it in exempt securities. If they did invest, and I take it for granted, in exempt securities it proves that they have tried to evade the payment of taxes to the best of their ability.

But, Mr. Chairman, if they did invest to the full extent as claimed by them, it is a lie. Their statements made from day to day, and month to month are that the country was suffering and does suffer because a large share of their profits will be turned over to the Government as income taxes, that it ruins the commerce of the Nation and that the money will not be forthcoming for the conduct of our business. Now, let us see how true their charges have been; or, in other words, how false they have been. In 1914 we had in this country, all in all, 357,515 persons whose incomes were over \$3,000, and from the following table you will see how this number has increased up to the year 1923:

1914	357,515
1915	336,652
1916	437,036
1917	1,993,425
1918	1,411,298
1919	1,738,147
1920	2,018,578
1921	1,597,754
1922	1,784,326
1923	2,343,525

showing that the incomes of this Nation did not suffer, and that the great financiers did not refuse to permit their accumulated wealth to be invested because of high taxation. Some of you gentlemen may try to offset these figures by stating that the increases were of those of the medium or middle class. So as to make it clear and impress it upon the dullest mind, I am going to give you figures that can not be contradicted or explained by the shrewd paid lobbyist, or the cleverest publicist, or the shrewdest Member of Congress by taking the 1916 report, and again I am taking the figures of the committee taken from the Internal Revenue Bureau report, and you can find these figures on page 17 of the Statistics of Income from returns of net income for 1924 filed by individuals. In 1916 the net incomes reported of all taxpayers was \$6,298,577,620 and in 1924 the amount was \$25,023,210,893, or \$18,000,000,000 more than in 1916. If these figures are so tremendous I will make it easier by saying that over four times as great a profit had been made in 1923 as well as in 1924 than was made in 1914 and 1916, thereby refuting the oft repeated statement that the money will not come out, and that a reasonable increase of tax, which these gentlemen term high, retards business and investment. In fact everyone knows that within the last three or four years there has been more money invested, more bonds and new stock issued and sold than ever before in the history of this or any other Nation.

Mr. Chairman, I have given some figures on the tremendous increase in net profits for the last 10 years. Some gentlemen may say, "Well, some of it was due to the war," and some gentlemen on the other side will say, "Well, it was under a Republican administration," and again I wish to make it clear that business started to improve the second year of the Democratic administration and has continued, and the country never had such prosperity in the history of our Nation as it did in 1920, when the total number of incomes over \$1,000 reached 7,259,944. When the Republican administration came into power in 1921 it fell off 1,000,000, or, namely, to 6,260,327. But due to the foundation laid by a Democratic administration by stabilizing our currency, by the adoption of the Federal reserve system, by the adoption of the fair tariff, and other beneficial

legislation, it could not help continuing in its wave of prosperity, and which I hope will continue for many, many years.

THE INHERITANCE TAX

Mr. Chairman, I am also opposed to the reduction of the inheritance tax and against the repeal of the gift tax, and I feel that every Member who would study this report of the committee and the preliminary report of the Treasury Department (and I do not see how the gentlemen in charge permitted it to see daylight) they would find conditions that are nearly unbelievable. They would find in 1916, when the net incomes in this country as reported was only \$6,000,000,000, we had 1,723 gentlemen whose incomes were over one-quarter of a million dollars, and we find in 1924, when the net incomes were \$25,000,000,000, that we had only 1,022 gentlemen whose income is over one-quarter of a million dollars. So notwithstanding that the net profits have increased four hundred times, all those whose incomes have been over \$250,000 has dwindled down to nearly one-half of 1916. Of course, you will see that the number of increases over one-quarter of a million dollars has increased this year, and I wonder how much the Couzens investigation had to do with this.

I presume the gentleman from New York and others advocating legislation are going to devise schemes whereby they will try to show that this tremendous additional \$20,000,000,000 in 1923 and 1924 has been made by the wage earners and the farmers, but I very much doubt this action as again the figures would show an untruth and the greatest wealth being accumulated by those whose net income was in 1916 over one-quarter of a million dollars. You may wonder then why it is that the number of these gentlemen has been reduced by nearly 50 per cent from 1,723 to 1,022. It was due, gentlemen, so I know and the gentleman from New York and others know, but to you who do not know I want to make it clear, it was not due because of the division of all the great wealth, for the purpose of these great financiers desiring to pay their just share of taxation. No, Mr. Chairman, it was done for the purpose to evade the taxation and for that purpose the shrewd tax experts and shrewd lawyers devised a scheme by which these extremely rich can evade the payments of their taxes. They started to give away portions of their wealth, some to their wife, some to their sons, some to their daughters, and some they placed in trust. Not for the purpose actually to give it away, for in each instance there is a strong "string" attached, but it was done, I charge, and you gentlemen on the other side know, for the purpose of evading payments of taxes, that they would have been obliged to pay, if the wealth had not been distributed, which enabled them to get into a lower class and pay a lower tax. For that reason we have adopted the gift tax to stop this infamous abuse. But because some gentlemen find it inconvenient to have their estates so divided by the so-called gifts, they desire the repeal of that law, so that their position and wealth can again be merged into one for convenience and safety. Of course, Mr. Chairman, there may still be another reason, this, however, is shared by myself; that is, in many instances we have still in our country, young marriageable ladies who are hunting and trapping for titles, some "ducks"—I mean dukes—some counts and no counts, and in some instances are even satisfied with baronets. But if they succeed in making a catch before the same can be properly made safe, "daddy" must furnish the real "gold bait," which is invariably \$1,000,000 or over, and I am inclined to think that under the gift provisions of the bill we would reach all these gifts for this purpose, but so as to enable the nobility-fortune hunters to get it all, as God knows most of them need it, we must repeal the gift tax. Of course, this is only my surmise, still I know that it was intended not only to reach gifts made and to remain in the United States, but also the gifts that were to be taken and squandered outside of the United States.

Mr. Chairman, if the party in power would have the interest of the people at heart and not be controlled by special interests, they could have easily repealed all the so-called nuisance taxes—taxes on theaters, taxes on tobacco, cigars, and so forth—and would not have made it necessary to increase the tax on postal cards and local letters from 1 cent to 2 cents. Of course, I realize it will give the protected interests of our country a chance and opportunity to demand the continuation of the robbing high tariff tax; yes, an excuse for the increase in the future, so as to lay still greater burdens upon the American consumers. It seems to me that these gentlemen are fearful that the wage earners, the farmer, and the small business and manufacturing man may accumulate too much wealth. Their fear, however, is unnecessary as the

special interests always find a way to relieve those classes from any savings or any surplus that by strenuous efforts and self-denial they might have succeeded to accumulate. It is to be regretted that so little attention and so little consideration is being shown the people that actually need relief. You and I and all have been appealed to by the farmers of this country, by the wage earners of this country for relief. What have you done so far? What have you done in the last session? I receive appeals from the people who are suffering for lack of coal and the tremendous high price of coal, from wage earners who can not make both ends meet, who charge that the time of the House is taken up to relieve, "Who," the people who need relief? No; but those who dislike to carry their share of the Government burdens, and how can I disprove these complaints and charges when you refuse to reduce the unnecessary high freight charges, which is responsible to a great extent for the high cost of living, and when your entire program and efforts are directed in legislation which enables the railroads to milk the country, banking interests to form new monopolies and in every conceivable way aid the steel and oil industry and sugar monopoly and disregard the appeals of the people, and are even unwilling to relieve the present unfortunate coal situation. Now, if you gentlemen from the West and Middle West can favor this policy and are going to vote for this bill you can do so, but do not go home and try to explain that you did not know the provisions of the bill, as you have ample opportunity and time to familiarize yourself with the bill and ascertain whether the charged statements and figures I have given are true or not.

The CHAIRMAN. The time of the gentleman from Illinois has expired. The gentleman from Wisconsin [Mr. FREAR] is recognized for five minutes.

Mr. FREAR. Mr. Chairman, when this bill was before the House last year I urged as strenuously as I could the maximum surtax rate of 40 per cent. I believed it was right then. I believe it is right now. If those who are receiving large incomes were actually paying 40 per cent, I would concede at once that it was not fair; but there is not a man on this floor who has given any intelligent study to the subject who does not know that the average large income is twice what is reported in the income-tax return, and the reason for that, as we all know, is that undistributed profits outside of the non-taxable securities make up in many cases from 50 to 75 per cent of the incomes of these men of very large wealth.

I am not criticizing it; I am simply speaking of the ultimate result and the average amount of tax that that man pays. So that when he has a maximum rate of 40 per cent in the average case it does not mean a normal tax alone, let me say to my friend from Arkansas [Mr. OLDFIELD], but it is in the form of undistributed profits which were received and which pay no tax. So, if you had 20 per cent, as it is claimed here, assuming that in the average case of very large incomes it will not reach 15 per cent of the actual income that a man has, and on the theory that those best able to pay should be taxed rather than those least able to pay, it seems to me that is a fair proportion.

I agree absolutely with the gentleman from New York [Mr. MILLS] that according to my study the farmers of this country are paying in the neighborhood of 45 to 50 per cent on their property. Why, then, should we not have men of great wealth to pay at least 20 per cent? I am referring to the injustice of taxation. He was discussing the question of the theory of taxation.

Mr. GREEN of Iowa. The gentleman is wrong as to his percentages. I think he was talking about a million dollars or something of that kind.

Mr. FREAR. No. I am speaking of men chiefly who receive as much as \$100,000 of income. The farmers are paying to-day in the neighborhood of 40 per cent. The man who is receiving a \$100,000 income is not paying the amount put there, because he has undistributed profits and dividends and accumulations that are not shown in this report.

Now, gentlemen, I am accepting the best we can get here.

Mr. GREEN of Iowa. I do not know how the gentleman can tell whether a man has undistributed profits or not.

Mr. FREAR. I can show you how you can tell. Look at the stock-exchange reports. Look at the dividends. When the Supreme Court rendered that decision to the effect that there should be no income tax paid on undistributed dividends the income tax was undermined. It is true, I should say, the Secretary of the Treasury has the privilege of penalizing, but, as I said, I am going to accept the best I can get. I do not think the tax embodied in the amendment of the gentleman from New York [Mr. LA GUARDIA] will include more than one-half or one-third

of the average income. Of course in the case of my friend from Illinois, who has offered his amendment, it is very small comparatively. Two years ago I would have supported a 40 per cent increase if I had believed for a moment that that was the tax that would be paid, but it is not. I am not going to take up more of your time. You have been generous with me on the general debate, and I thank you. [Applause.]

The CHAIRMAN. The gentleman from Illinois [Mr. CHINDBLOM] is recognized for five minutes.

Mr. CHINDBLOM. Mr. Chairman, I do not rise to engage in a general discussion of the surtax question, but one or two matters have occurred in the debate to which I want to call attention. First, as to the attitude of Mr. Mellon. Do you want to know the attitude of Mr. Mellon? If so, turn to page 29 of the hearings. You will find there this question:

Mr. MILLS. Mr. Secretary, you are recommending at the present time a maximum tax of 20 per cent?

Secretary MELLON. Yes; that is, 20 per cent surtax plus 5 per cent normal tax.

That is where you get the 25 per cent; but he never recommended a 25 per cent surtax. Then further:

Mr. MILLS. And, in your judgment, if the rate is reduced to that point, it will fairly test out the proposition for which you have contended for a number of years?

Secretary MELLON. Yes.

So much for Secretary Mellon's attitude. We have in this bill a 20 per cent surtax with the addition of 5 per cent normal tax, which makes a total tax of 25 per cent on the maximum amount of income.

Now, as to taxpayers with incomes under \$45,000 or \$50,000, I inserted in the RECORD, in my remarks of last Saturday, that are printed on pages 742 to 744, a table of what the reductions have been on the various income brackets, comparing the proposed bill with the law of 1918. You will find it quite remarkable. If you turn to that table you will find that gentlemen have made a very serious blunder in taking the figure of \$45,000 as a starting point. On \$45,000 the rate of percentage of reduction from the 1918 act in the rate under the proposed law is 50.49 per cent.

The percentage of reduction on \$40,000 is 52.36, on \$35,000 it is 54.95, on \$30,000 it is 59.04, and on the next, \$25,000, it is 63.46; on \$20,000 it is 68.84; on the next, \$15,000, it is 75.49; and on \$10,000 it is 84.41. So that as you go down in the amount of income you continually have a larger reduction in the amount of tax made under this bill as compared with the law of 1918.

Mr. DAVEY. Mr. Chairman, will the gentleman yield?

Mr. CHINDBLOM. For a question.

Mr. DAVEY. I would like to have the gentleman explain the difference between this bill and the one passed a year ago; not the act of 1918.

Mr. CHINDBLOM. I can not take the time for that now. It was done very thoroughly in the general debate. The gentleman can read the general debate in the RECORD. I can not go over that now in this five-minute debate.

Mr. DAVEY. The act of 1918 rates are deceptive.

Mr. CHINDBLOM. No. The 1918 law was the first income tax law, occasioned by the emergency of the war. That was the beginning of the high income taxes in the United States. We reduced them first in 1921. Then we reduced them again in 1924, and we are reducing them for 1926, and I say the right thing to do is to compare the entire income-tax system, beginning with 1918 and coming down to the present bill.

The great virtue of this bill is that it equalizes the injustices, the incongruities, and discriminations not only in the 1918 act but in the 1921 act, the 1924 act, and down to the present time.

On page 743 of the RECORD you will also find another table showing what the actual percentage of the tax is on the net income, and you will see it progresses gradually. At \$4,000 it is only 0.141 per cent; at \$5,000, 0.338 per cent; at \$6,000, 0.469 per cent; at \$10,000, 1.013 per cent; and so on, until on the highest incomes it becomes over 24 per cent, or approximately 25 per cent.

I challenge the gentlemen of this House to compare all of the income tax bills this Government has had since the war, and on account of the war, and then tell me whether they will not reach the conclusion that we have, as the bill states in the title, not only "reduced" taxes but also "equalized" taxes.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GREEN of Iowa. Mr. Chairman, I would like to see whether I can not get an agreement as to closing debate.

Mr. GARRETT of Tennessee. I suggest this to the gentleman: This is, perhaps, the part of this bill that is going to evoke the greatest discussion that will be had. I think the debate has been very interesting, and it has been devoted entirely to the subject. I do not see why the chairman of the committee should press to end debate so very quickly.

Mr. GREEN of Iowa. I thought I had been very liberal.

Mr. GARRETT of Tennessee. The gentleman has been liberal.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 30 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this paragraph and all amendments thereto close in 30 minutes. Is there objection?

Mr. SABATH. Mr. Chairman, reserving the right to object, my colleague from Maryland [Mr. LINTHICUM] has requested some time several times. I do not know whether he will be included in that time or not.

Mr. GREEN of Iowa. Mr. Chairman, I think we may as well make it until 4 o'clock.

Mr. MOORE of Virginia. May I respectfully suggest this to the gentleman, that there does not seem to be any doubt we can finish the bill this week, and there is every reason why important features of the bill should be carefully debated and discussed.

Mr. GREEN of Iowa. I agree with my friend from Virginia, and I am trying to be very liberal.

Mr. GARRETT of Tennessee. This is an important matter, and there is no effort to delay the bill at all.

Mr. GREEN of Iowa. I thought until 4 o'clock would be ample.

Mr. GARRETT of Tennessee. I suggest that the gentleman let debate run along for a little time longer, because Members will want to talk more about this item than anything else in the bill.

Mr. GREEN of Iowa. Mr. Chairman, I withdraw the request.

The CHAIRMAN. The gentleman from Tennessee [Mr. GARRETT] is recognized for five minutes. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, when I find my colleagues, particularly those of my political faith, divided upon a proposition that comes from one of the committees of the House it always presents to me some question of embarrassment, because, as I stated in my remarks on Saturday, my natural predilection is to follow the judgment of those charged with the responsibility of the legislation that is before the House, particularly that of those of my colleagues who are of my political party. That somewhat embarrassing situation confronts me now, but it has been said again and again in the course of this debate that this bill is not a party matter. Without undertaking to state—as it would be in violation of the rules of the House—what occurred in committee I understand that even the members of the committee did not bind themselves upon the question of amendments, and so I feel free to vote without restraint for any amendment that is proposed which meets my convictions of right and justice. Following that disposition I rise to support the amendment offered by the gentleman from Illinois [Mr. RAINEY]. [Applause.]

I do not agree with the reasoning of the gentleman from New York [Mr. MILLS], much as I regard his intellectual qualifications, that this surtax must be reduced in order to save a surtax at all, and in order to prevent dishonesty in returns. I know, of course, that all taxation is irksome. A 10 per cent surtax would be irksome and a 5 per cent surtax would be irksome. If we are to follow the logic of the gentleman from New York upon that proposition, it would very quickly result in removing all surtaxes, because all surtaxes are irksome.

Comparison is made—and I agree with the gentleman from Illinois [Mr. CHINDBLOM] that it was legitimate to make the comparison—between the act of 1918, the war act—although it did not pass until after the armistice had been declared—and the present bill, but in making that comparison all the elements must be taken into consideration. If the comparison is to be just in its final outcome. So we may not, Mr. Chairman, disregard the fact, while the fighting part of the war is now seven years past, that we are still contributing a large part of our revenues to the payment of war expenses.

The amendment proposed by the gentleman from Illinois addresses itself to my sense of fair play and of justice. We are still paying a large part of the war debt, and we shall be for a long time to come.

I was not one of those who urged retaining the surtax at 40 per cent before, and I should have been willing to have seen it reduced in the act of 1924.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, may I have two additional minutes?

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for two additional minutes. Is there objection? [After a pause.] There is no objection.

Mr. GARRETT of Tennessee. I should not have been willing to go to 20 per cent, and I do not believe the conditions of the country justify us in going to 20 per cent now.

I think the proposition presented by the gentleman from Illinois [Mr. RAINEY] is a sufficient reduction of these surtaxes above \$150,000. I do not think it destroys in any respect the soundness of this bill or that it interferes with whatever of scientific taxation features there may be about it; and for my part I shall gladly give it my support. [Applause.]

Mr. DAVEY. Mr. Chairman and gentlemen of the committee, it was my desire when this tax matter came before the House that I could support unqualifiedly the bill as reported by the committee, but there is one phase of the pending bill which strikes me as manifestly unfair and exceedingly hard to explain.

I have already had several of my observing constituents ask me, "Why do you not do something for us with incomes of between \$10,000 and \$45,000?" I am frank to say that is a hard question to answer.

It may be this bill is what you might call a scientific bill, although it is difficult to say just what a scientific tax bill is; but it is mighty hard to explain to your constituents, your business men with incomes of between \$10,000 and \$45,000, that we are giving them no reduction in their surtaxes.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. DAVEY. Certainly.

Mr. GREEN of Iowa. Does the gentleman consider a one-third reduction in tax no reduction?

Mr. DAVEY. I am referring entirely to the surtaxes.

Mr. GREEN of Iowa. Oh, you are talking about one part of the tax, while I am talking about the whole reduction.

Mr. DAVEY. I am referring to the surtaxes, and I want to go still further—

Mr. GREEN of Iowa. Let me ask the gentleman another question. If they got plenty of reduction outside of the surtax, would the gentleman still want a reduction in the surtax?

Mr. DAVEY. If everybody else, especially those of the greatest incomes, gets a reduction in surtaxes, why not these men with incomes from \$10,000 to \$45,000 a year?

Mr. GREEN of Iowa. For the simple reason that it would not be fair.

Mr. DAVEY. I can not yield further unless I get more time. The question of fairness may be merely a matter of the point of view.

I would like to make the observation that I have nothing against great wealth. I have nothing against business, because I am in business. But I believe this bill is the most abject surrender to great wealth of anything that has occurred here in my time. The effort to reduce the maximum to 20 per cent and give everything possible to the ultra-wealthy has been so labored that it left nothing for reduction of the surtaxes of the little rich. As a matter of simple fair play I am bound to vote for the amendment of the gentleman from Illinois and try to give those of intermediate wealth some consideration. [Applause.]

Mr. LINTHICUM. Mr. Chairman, there have been so many speeches made on both sides of this question and so much information and misinformation given that it is very hard for one who wants to know how to vote to find out.

I entirely agree with the gentleman from Ohio [Mr. DAVEY]. My city is composed of people of moderate means. We have very few immensely wealthy people in the city of Baltimore, but we have a very large number, a vast number of people who enjoy means in the moderate brackets, from \$10,000 to \$44,000, and it is going to be mighty hard for me to go back and say to those people, "The reason we could not give you any reduction in the surtaxes from \$10,000 to \$40,000 was because we wanted to give the fellow with over \$100,000 of income a 50 per cent reduction."

As I take it the sole reason the committee did not give any reduction in surtaxes to those with incomes of from \$10,000 to \$44,000 was because you took the 20 per cent on \$100,000 of income as the pivot and around that pivot was drafted this bill.

Mr. GREEN of Iowa. Will the gentleman from Maryland yield?

Mr. LINTHICUM. Yes.

Mr. GREEN of Iowa. If the gentleman will kindly do me the honor of listening when we close this debate, I will give him the real reason why that was done.

Mr. LINTHICUM. I said I had received a great deal of information and misinformation, and if the gentleman can give me authentic information I shall certainly be glad to have it.

Water has only gone over the mill for one year since our Secretary of the Treasury asked only for a reduction to 25 per cent, and as I take it, he did not insist upon anything less than that this time. He said taking the 5 per cent normal tax and the 20 per cent surtax makes 25 per cent, and of course it does; but, as the gentleman from Arkansas [Mr. OLDFIELD] told us, the vast amount of the revenue of the people of this country comes from dividends, and upon those dividends no normal tax is charged, and the consequence is that the vast incomes really pay only the 20 per cent and not any normal tax making the 25 per cent.

The gentleman from Wisconsin tells us something which we know is an absolute fact. We know these men of very large means do not want big dividends declared by their corporations, and instead of asking for dividends, like we moderate fellows are constantly asking, they are asking for deferred dividends, and asking that the surplus* and undivided profits of the corporation be built up and that the dividends be not declared, whereas I imagine the great majority of us on the floor of this House are constantly after our corporations for dividends and increased dividends and extra dividends. I have been in one or two of these corporations and I have heard these men say, "We do not want to declare too much dividends; build up the surplus and in that way we will have a stronger company, and the tax, of course, will not be so heavy."

There is another feature of the bill I wish the committee would consider, and that is with reference to the capital stock of corporations. We know there are many people in this country who have really capitalized themselves into corporations. We also know there are a number of corporations in this country that are not making any money; and yet we make them pay \$1 a thousand tax on the capital stock, when they are really not making any profit.

I would like to see a bill drawn that makes corporations and individuals and partnerships pay in proportion to what they make and not compel these corporations to pay something when they do not make anything.

I appreciate what has been done toward largely eliminating the tax on automobiles, the elimination of the tax on trucks and accessories, and those things which we need so badly; but I do wish we could arrange this schedule so that when we go back home and the man of moderate means asks us, "What reduction have you given me?" we shall be able to say to him that we have given him a substantial reduction and not be compelled to tell him we could not give him a reduction because we had to give a rate of 20 per cent to the man with \$100,000 of income and above.

Mr. Chairman, I am not in favor of making surtaxes too high, but I do feel when a man has an income of \$100,000 or more, and when that income is derived largely from dividends, and in many cases wholly from dividends by which he is enabled to evade the normal tax of 5 per cent, that he should at least pay 25 per cent surtax on incomes above \$150,000, and that the graduation from 20 per cent to the 25 per cent would be fair to apply to incomes between \$100,000 and \$150,000. When a man has an income of \$150,000 he is beyond all possibility of want and must spend it, if spent at all, upon luxuries, because the real necessities of life could never reach that sum. In fact, Mr. Mellon did not ask for less than 25 per cent surtax in 1924 and would have been satisfied if placed in this bill.

I do not wish my remarks, however, to indicate in any manner that I do not think this tax-reduction bill is a great reduction in taxes below that of 1924. This is not a Mellon bill. While it has somewhat the earmarks of the Mellon plan by reducing the higher brackets more than lower brackets, it has not been dictated by the Secretary of the Treasury, nor have millions of dollars been expended through propaganda by newspaper and periodical advertisements, movie screen, and all those things which were resorted to in trying to put across the Mellon tax bill of 1924, which was defeated and the Democratic plan adopted. On the contrary, this bill has been drafted by the Ways and Means Committee; the views of the Secretary of the Treasury have been obtained and those of a vast number of other people in order that the best information possible might be obtained.

Mr. Mellon recommended reduction of taxes to the extent of \$250,000,000 to \$300,000,000, while the committee has reduced taxes over \$325,000,000. Certainly this is a very substantial

reduction and should redound to the benefit of all taxpayers, and especially to the great business interests of our land. It is a pleasure to know that the personal credit or exemption, as we term it, has been raised for single persons from \$1,000 to \$1,500 and for married persons and heads of families from \$2,500 to \$3,500, with additional exemptions where there are children in the family.

Under the present law there is a normal tax of 2 per cent on the first \$4,000, 4 per cent on the next \$4,000, and 6 per cent on the remainder, whereas under this bill it is proposed to reduce to 1½ per cent on the first \$4,000, 3 per cent on the next \$4,000, and 5 per cent on the remainder, and a 25 per cent deduction on earned incomes to everyone to the extent of \$5,000, and the limit is extended from \$10,000 to \$20,000, so that everyone gets a reduction of 25 per cent as earned income on the first \$5,000 income, and persons who are earning up to \$20,000 may get a 25 per cent reduction on his taxes.

This is manifestly a very fair provision, because persons whose resources are from earnings, when they die or become incapacitated their incomes cease, whereas persons who derive their incomes from dividends and other property, if they should die or become incapacitated the income continues, and in case of death the same passes to the next generation. This earned-income feature removes from an income-tax proposition much criticism which might otherwise be leveled against it. I here insert a schedule which will more fully demonstrate the advantages of this bill to taxpayers over that of 1924:

Income taxes

	H. R. 1	Act of 1924
Personal credit:		
Single persons.....	\$1,500.....	\$1,000.....
Married persons and heads of families.....	\$3,500.....	\$2,500.....
Rates:		
First \$4,000 taxable.....	1½ per cent.....	2 per cent.....
Second \$4,000 taxable.....	3 per cent.....	4 per cent.....
Balance taxable.....	5 per cent.....	6 per cent.....
Surtaxes:		
On net income in excess of—		
\$10,000 and not of \$14,000.....	1 per cent.....	1 per cent.....
\$14,000 and not of \$16,000.....	2 per cent.....	2 per cent.....
\$16,000 and not of \$18,000.....	3 per cent.....	3 per cent.....
\$18,000 and not of \$20,000.....	4 per cent.....	4 per cent.....
\$20,000 and not of \$22,000.....	5 per cent.....	5 per cent.....
\$22,000 and not of \$24,000.....	6 per cent.....	6 per cent.....
\$24,000 and not of \$26,000.....	7 per cent.....	7 per cent.....
\$26,000 and not of \$28,000.....	8 per cent.....	8 per cent.....
\$28,000 and not of \$30,000.....	9 per cent.....	9 per cent.....
\$30,000 and not of \$34,000.....	10 per cent.....	10 per cent.....
\$34,000 and not of \$36,000.....	11 per cent.....	11 per cent.....
\$36,000 and not of \$38,000.....	12 per cent.....	12 per cent.....
\$38,000 and not of \$42,000.....	13 per cent.....	13 per cent.....
\$42,000 and not of \$44,000.....	14 per cent.....	14 per cent.....
\$44,000 and not of \$46,000.....	do.....	15 per cent.....
\$46,000 and not of \$48,000.....	15 per cent.....	16 per cent.....
\$48,000 and not of \$50,000.....	do.....	17 per cent.....
\$50,000 and not of \$52,000.....	16 per cent.....	18 per cent.....
\$52,000 and not of \$56,000.....	do.....	19 per cent.....
\$56,000 and not of \$58,000.....	do.....	20 per cent.....
\$58,000 and not of \$60,000.....	do.....	21 per cent.....
\$60,000 and not of \$62,000.....	17 per cent.....	do.....
\$62,000 and not of \$64,000.....	do.....	22 per cent.....
\$64,000 and not of \$66,000.....	do.....	23 per cent.....
\$66,000 and not of \$68,000.....	do.....	24 per cent.....
\$68,000 and not of \$70,000.....	do.....	25 per cent.....
\$70,000 and not of \$74,000.....	18 per cent.....	26 per cent.....
\$74,000 and not of \$76,000.....	do.....	27 per cent.....
\$76,000 and not of \$80,000.....	do.....	28 per cent.....
\$80,000 and not of \$82,000.....	19 per cent.....	29 per cent.....
\$82,000 and not of \$84,000.....	do.....	30 per cent.....
\$84,000 and not of \$88,000.....	do.....	31 per cent.....
\$88,000 and not of \$90,000.....	do.....	32 per cent.....
\$90,000 and not of \$92,000.....	do.....	33 per cent.....
\$92,000 and not of \$94,000.....	do.....	34 per cent.....
\$94,000 and not of \$96,000.....	do.....	35 per cent.....
\$96,000 and not of \$100,000.....	do.....	36 per cent.....
\$100,000 and not of \$200,000.....	20 per cent.....	37 per cent.....
\$200,000 and not of \$300,000.....	do.....	38 per cent.....
\$300,000 and not of \$500,000.....	do.....	39 per cent.....
Over \$500,000.....	do.....	40 per cent.....
Earned income:		
Credit of 25 per cent, not in excess of.....	\$20,000.....	\$10,000.....
(First \$5,000 deemed to be earned).....	Same.....	Same.....

This bill also carries a great reduction in the estate tax, reducing the maximum from 40 per cent to 20 per cent, as shown by the estate-tax schedule which I insert:

Estate tax

	H. R. 1	Act of 1924
Exemption.....	\$50,000.....	\$50,000.....
Rates:		
Amount not in excess of \$50,000.....	1 per cent.....	1 per cent.....
Amount in excess of—		
\$50,000 and not of \$100,000.....	1 per cent.....	2 per cent.....
\$100,000 and not of \$150,000.....	3 per cent.....	3 per cent.....
\$150,000 and not of \$200,000.....	do.....	4 per cent.....

Estate tax—Continued

	H. R. 1	Act of 1924
Rates—Continued.		
Amount in excess of—Continued		
\$200,000 and not of \$250,000	4 per cent.	4 per cent.
\$250,000 and not of \$400,000	do.	6 per cent.
\$400,000 and not of \$450,000	5 per cent.	Do.
\$450,000 and not of \$600,000	do.	9 per cent.
\$600,000 and not of \$750,000	6 per cent.	Do.
\$750,000 and not of \$800,000	do.	12 per cent.
\$800,000 and not of \$1,000,000	7 per cent.	Do.
\$1,000,000 and not of \$1,500,000	8 per cent.	15 per cent.
\$1,500,000 and not of \$2,000,000	9 per cent.	18 per cent.
\$2,000,000 and not of \$2,500,000	10 per cent.	21 per cent.
\$2,500,000 and not of \$3,000,000	11 per cent.	Do.
\$3,000,000 and not of \$3,500,000	12 per cent.	24 per cent.
\$3,500,000 and not of \$4,000,000	13 per cent.	Do.
\$4,000,000 and not of \$5,000,000	14 per cent.	27 per cent.
\$5,000,000 and not of \$6,000,000	15 per cent.	30 per cent.
\$6,000,000 and not of \$7,000,000	16 per cent.	Do.
\$7,000,000 and not of \$8,000,000	17 per cent.	Do.
\$8,000,000 and not of \$9,000,000	18 per cent.	35 per cent.
\$9,000,000 and not of \$10,000,000	19 per cent.	Do.
In excess of \$10,000,000	20 per cent.	40 per cent.
Credit:		
Amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or Territory or the District of Columbia, not in excess of	80 per cent.	25 per cent.

It grants the old exemption of estates up to \$50,000 and increases the per cent to be paid to the State in which the deceased resided from 25 per cent to 80 per cent, so that the State would get 80 per cent of the tax paid as inheritance instead of 25 per cent, thereby giving those States which so regulate themselves by legislation a very large additional income from this source of inheritance tax; this should enable them to relieve somewhat the burden of taxation now levied upon the real estate in the various States and cities of the Union. Certainly we all hail with delight this feature of the bill, as it will relieve to some extent the heavy burden now borne by the home owners, the farmers, and others who are owners of real estate, because certainly both the local assessment and tax rate are excessive and burdensome upon all our people. It ought also to help us in the construction of good roads, building of schools, and other internal improvements if we would have our States keep abreast with the times and with the progress and prosperity of these modern days.

I think it would have been wise to leave this estate tax entirely in the hands of the various States of the Union, but inasmuch as the States of Florida and Alabama and the District of Columbia have no estate tax the committee could not see its way clear to entirely sweep it from the statute books. It is a revenue which should be received by the States, and which I believe will eventually be done.

The gift tax and the publicity clause practically have both been swept from the statute books under this bill; certainly the gift tax has not been a success. As to the publicity clause, there is a wide divergence of opinion, but manifestly no real, substantial benefit has been shown to have emanated from the enactment of this section.

EXCISE TAXES

This reduction is most important to business in general, and particularly to the automobile industry. I append a schedule thereof:

Excise taxes

Section of revenue act of 1924		H. R. 1	Act of 1924
600(1)	Automobile trucks and automobile wagons	Repealed	3 per cent.
600(2)	Other automobiles and motor cycles	3 per cent.	5 per cent.
600(3)	Tires, inner tubes, parts, or accessories	Repealed	2½ per cent.
600(4)	Cameras, weighing not more than 100 pounds, and lenses for same	do.	10 per cent.
600(5)	Photographic films and plates (other than moving-picture films and other than X-ray films and plates)	do.	5 per cent.
600(6)	Pistols	10 per cent.	10 per cent.
	Other firearms and shells and cartridges	Repealed	Do.
600(7)	Cigar or cigarette holders and pipes, composed wholly or in part of meerschaum or amber, and humidors	do.	Do.
600(8)	Coin-operated devices	do.	5 per cent.
600(9)	Mah-jongg, pung chow, and similar tile sets	do.	10 per cent.
602	Works of art, sculpture, etc.	do.	5 per cent.
604	Jewelry, etc., sold for amounts in excess of \$20 and watches sold in excess of \$50	do.	Do.

The bill is of great benefit to business because of the great reduction made in excise taxes upon automobiles; for instance, automobile trucks and automobile wagons, inner tubes, parts, and accessories have been entirely removed from taxation; other automobiles and motor cycles have had tax reduced from 5 per cent to 3 per cent. Photographic films and plates, moving-picture films, X-ray films, and so forth, have been relieved of all taxation; works of art, sculpture, and so forth, have been relieved of taxation. When we realize that automobile trucks, automobile wagons, and pleasure automobiles and their accessories have been relieved of \$82,400,000 in taxes, we can readily see to what extent this very important industry and the users of automobile trucks, and so forth, will be benefited under this act. There has at times been complaint about taxation of yachts, pleasure boats, motor boats, sailboats, and so forth. They are now subject to heavy taxation, but under this bill domestic-built boats are entirely relieved of taxation, and those of foreign build remain subject to the same taxation which existed under the old law. This provision should help the builders of craft in our own land.

STAMP TAX

I am sure it will be a great relief to the purchasers of real property that under schedule A (5) conveyances of land, tenements, or other realty granted, assigned, transferred, or conveyed are entirely relieved from the stamp tax. This will be of great advantage to lawyers, conveyancers, and those purchasing and selling property. It has not only been a nuisance, but a heavy burden on the moderate purchaser of a home; then, too, proxies for voting and power of attorney are relieved of stamp taxes.

While this bill shows a reduction of some \$325,000,000 in taxation, it must be remembered that directly not 5,000,000 people in the whole United States pay income taxes, and that under this bill the number will be reduced below 2,500,000, so that when you speak of the direct payment of income taxes it really affects substantially a very few people in a country of 115,000,000 of souls. While it is a great pleasure and benefit to have this income tax and the other taxes which are reduced in this bill reduced to this great extent, what really plays the greatest hardship upon all the people of the land is not the income tax nor the estate tax or stamp tax, or whatever it may be as provided under this revenue bill, but it is that great octopus tax which we know as tariff taxation, which reaches down into the humblest home and up to the richest and mightiest of our land; this taxes from the infant in the crib to the multimillionaire in his mansion. The Fordney-McCumber Tariff Act contains a higher schedule of taxation than any legislation which has ever passed the United States Congress.

It has constructed a wall around our Government which prevents any competition from without and enables the manufacturer and merchant to advance prices so high and so burdensome that it has become a menace to the health and happiness of our people. It taxes the very necessities of life, those things upon which we do feed and live and move and have our being. It has made commodities so high that persons of even moderate means find it difficult to obtain sufficient revenue whereby to live in a healthful and sanitary condition. When we speak of the income taxes, excise taxes, and so forth, provided in the bill under discussion we know that every cent paid goes into the Treasury of the United States and is used in the upkeep of our Nation; but when we pay some half million dollars in tariff taxes into the Treasury of the United States we know that this merely enables the great producers of the country to advance their prices, whereby they put into their pockets some four billions in profits. If this entire \$4,500,000,000 went into the Treasury and was used to sustain the Government, we might be willing to bend our backs and bear the burden with greater ease, but when we know that only a small portion goes into the United States Treasury and the balance into the possession of those who do not really need it, we then feel that it is high time while reducing other taxes to reduce those which affect the stomachs and backs of our people.

While our people are prosperous, wages high, and money usually plentiful, while prices at the stock market soar and realty values are abnormally high, we can manage to get along; but if with the tariff tax as it stands to-day we should experience one of those lean periods, certainly the American people would become great sufferers from this extortion.

I sincerely hope that the American people will wake up to their rights; that they will no longer allow their minds and attention to be diverted by the mere reduction of a tax which affects only some two and a half million of our people out of the great population of 115,000,000. Under the Underwood

bill we relieved most of the necessities of life from all taxation and reduced other articles to a very great extent. Our country was at the same time happy, prosperous, and contented, but under the Fordney-McCumber tariff practically everything is assessed.

Senator Raynor, of Maryland, used to extol the fact that "divi-divi" was on the free list in the Payne-Aldrich tariff. I heard a story: It was said that the home of a prominent Senator from Kansas had been burned, and he went out to see what damage had been done. He found that the home and all the outbuildings had been destroyed, and wired back to his wife, saying:

Home and all outbuildings have been burned, but, thank God, we have saved the well.

It looks to me as though everything from the cradle to the grave has been heavily taxed in the Fordney-McCumber tariff bill. I can voice the words of the Senator in saying, "Thank God, we have saved divi-divi on the free list."

I also find on the free list manna, asafetida, broken bells, gallnuts, dried blood, insect eggs, cuttlefish bone, dried insects, fish skins, fossils, leeches (I hope the fossils and leeches will not injure our own industry), loadstones (something attractive), skeletons, and spunk—I am glad to see they have allowed "spunk" to come in free, and I verily believe the people of the country will have sufficient "spunk" to force the revision downward of this iniquitous tariff tax and give relief to the 115,000,000 of people so sorely oppressed by its octopus operation. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, I would like to see at this time if it is possible to reach an agreement upon a time for closing debate on this matter. I will ask the Chairman that all debate on the paragraph and all amendments thereto close in 27 minutes.

Mr. RAINEY. I hope the gentleman will not make that request. There are not many controverted points in this bill that will require much time.

Mr. GREEN of Iowa. I am trying to give everybody all the time that they desire.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this paragraph and all amendments thereto close in 27 minutes. Is there objection?

Mr. RAINEY. I have no objection.

There was no objection.

The CHAIRMAN. The gentleman from Tennessee [Mr. HULL] is recognized for 10 minutes.

Mr. HULL of Tennessee. Mr. Chairman, this subject has been debated so often in committee and in Committee of the Whole House that I do not feel disposed to cover the ground but a little further, so far as I am concerned. It has been my judgment from the beginning that it would be more logical and reasonable to permit the surtax maximum to rest for the present at 25 per cent in this bill. I say that for two reasons: One has reference to the general structure of the bill, as we are undertaking to arrange it, and the other has reference to the revenue necessities. The gentleman from Arkansas [Mr. OLDFIELD] has discussed the first reason.

Some gentlemen have referred to the fact that this is a peace-time revenue law. I imagine that the 4,000,000 persons who will be called upon to pay near \$68,000,000 auto tax imposed during the war, and directly for war purposes, will hardly agree with that statement. I imagine those who pay \$28,000,000 admission taxes will scarcely be able to realize that we are yet on a permanent peace-time basis. In other words, gentlemen, we have sharply raised the question of whether it is wise and sound to rush our permanent tax laws to a peace level before we have first removed the temporary war taxes.

For that reason, as a matter of good economic policy, I have sought to prevail on my colleagues in and out of the committee to allow us to so reduce and adjust our income-tax system and its rates that we would be able, before placing it entirely on a permanent level, to remove the temporary war taxes. I am convinced that that is sound.

In addition to that I would hesitate on my own volition to represent to this House that those with incomes that would be subject to 25 per cent surtax are actually demanding the 20 per cent extra measure of relief in view of the revenue circumstances as they confront us here.

I believe that there are very few in America with incomes subject to the proposed 25 per cent maximum rate who would not welcome that measure of relief at this time and so meet the revenue exigencies to which I have referred. If I thought that the end of the internal-revenue tax controversy would be

reached with the passage of this bill, I would be much more agreeable as to its objectionable features. But after the passage of this measure we will find a demand for further relief—not so much from the middle fellow, because he is helpless; he is wedged in between the bottom and the top, and during the next 5, 10, and 20 years you will see a constant controversy between those at the top and those at the bottom still further to readjust their income taxes. In 1924 it was chiefly political confusion, so that there was but slight chance for individual action or utterance.

The future of the income tax of this country, as I conceive it, depends on the cooperation of those who honestly believe in progressive taxation and at the same time a fair, reasonable, and equitable graduated system of taxation according to ability. If the future of this system is left to those who come here primarily interested in certain groups at the top and certain groups at the bottom and certain groups elsewhere, then the future of this great system is precarious. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, I will take 10 minutes. Mr. Chairman, debate on these two amendments has been, practically, divided into two objections to the provisions of the bill. The first is to that provision in the bill that limits the maximum surtax to 20 per cent. The second is to the fact that the incomes from \$10,000 up to \$44,000 pay the same rate of surtax.

I do not care to go at any length into the objections which may have been made to the maximum surtax of 20 per cent. The gentleman from New York [Mr. MILLS] in general debate went over very fully the reasons why that was done. But I want to say this to the Republican Members that no one who sits at my left can have any fears about being consistent in voting for this provision of the bill, even though he voted for the 40 per cent surtax in the bill of 1924. There is a vast difference in voting for the 20 per cent surtax now, when incomes up to \$4,000 have been, in most cases, relieved from any tax whatever, than there was at that time, when the proposal was to take off 50 per cent from the large incomes and only 25 per cent on incomes of a small amount.

I want now to dispose once for all of the claim that we have not treated fairly the men with incomes from \$10,000 up to \$44,000. I take it that every gentleman in this House believes in a graduated income tax. If there is any gentleman who does not, I would like to see him rise now. Assuming that we have a graduated income tax, will any gentleman say that the rates ought not to be graduated uniformly and evenly?

Mr. HASTINGS. Mr. Chairman, will the gentleman yield for a question?

Mr. GREEN of Iowa. Let me finish, and I will be very glad to yield a little later on. Is there any gentleman who will say that the rates ought not to be graduated evenly and uniformly from the lowest rate to the top? If we fix the maximum rate at 20 per cent, ought not the rates to be graduated evenly and fairly from the lowest up to the 20 per cent? I do not know how any gentleman can escape from that conclusion.

The claim is that while we have made these gradations uniform and even that we have not given sufficient reduction to those men who have incomes from \$10,000 up to \$44,000. If any gentleman cares to turn to the tables found on pages 48 and 49 of the report and will examine the reductions that have been given these parties, he will see that instead of having received no reduction, as has so often been stated in this debate, they have received a most liberal reduction. Take the man with an income of \$10,000. Under the act of 1924 he pays \$165. Under the present bill his total tax is \$101.25. He therefore gets a reduction of \$63.75, over one-third. Will any gentleman say that when a reduction is made of over one-third in a tax that we are not making a liberal reduction to the party so affected? Turn to the man with an income of \$15,000. Under the act of 1924 he paid \$515. Under this bill he pays \$311.25, a reduction of \$203.75, a reduction of considerably over one-third in his case. Does any gentleman say that is not a reasonable reduction, that it is not fair, that we are doing nothing for the man with an income of \$15,000? I say that we are doing all that we ought to do and possibly more. Turn again to the man with an income of \$20,000. Under the previous act he paid \$975. Under this bill he pays \$618.75, a reduction of \$356.25, a reduction again of more than one-third. Is not that sufficient?

The gentleman said that the reason these men did not get any more reduction was because we limited the maximum surtax to 20 per cent. It had absolutely nothing to do with it. These men did not get any more reduction because we were giving them reduction enough, certainly a fair and reasonable

and proportionate reduction, grading the taxes by regular and even differences and percentages as the rates applied to the higher incomes.

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. CONNALLY of Texas. I generally agree with the gentleman from Iowa. He announces the doctrine of gradual increases—gradations all the way up. Why stop arbitrarily at \$100,000? Why should not those rates be so fixed as to lower the surtaxes on the \$40,000 income and the \$20,000 income, and increase those on incomes above \$100,000?

Mr. GREEN of Iowa. If we had raised the limit over \$100,000 and kept the maximum surtax at the same rate, it would simply have increased the inequality that some gentlemen complain about, because those gentlemen do not want the \$100,000 income given larger reductions.

Mr. CONNALLY of Texas. But you need not have retained the present maximum. You could have decreased it and carried the maximum above \$100,000. The man who has an income of \$200,000, on his second \$100,000 pays the same graduated rate as the man with \$5,000,000. Please explain to me the philosophy of stopping at \$100,000.

Mr. GREEN of Iowa. I do not understand the gentleman's question. We had to stop somewhere, and the committee thought that a man with an income of that amount ought to pay 20 per cent on the excess above it.

Mr. CHINDBLOM. If I may be permitted, if we had raised the maximum, for instance, for the 20 per cent from \$100,000 to \$200,000, we would have reduced the amount of the tax.

Mr. GREEN of Iowa. Of course. That is what I stated.

Mr. CHINDBLOM. We would have reduced the revenues.

Mr. DAVEY. Who was it that made the figure 20 per cent so sacred?

Mr. GREEN of Iowa. Nobody made that figure sacred. Let me say to gentlemen on the Democratic side—to those who refused to vote for the constitutional amendment forbidding the further issue of tax-exempt securities and thus afforded a haven of refuge to men of large income, so that if they chose they would not have to pay anything, and in many instances actually do not now pay anything; that it comes with very bad grace from them to now complain because we have reduced the maximum surtax in order to induce men to take money out of tax-exempt securities and put it into a business the income from which is taxable. The 20 per cent limit is, of course, an arbitrary figure, but the majority of the committee believed that by making the maximum 20 per cent men with great incomes would be induced to take their investments out of tax-exempt securities and put their money into active business where it would return to the Government a higher revenue than it does now under the present high rates.

The CHAIRMAN. The time of the gentleman from Iowa has expired. All time has expired. The question is now on the substitute of the gentleman from New York [Mr. LA GUARDIA] to the amendment of the gentleman from Illinois [Mr. RAINEY].

Mr. EDWARDS. Mr. Chairman, may we have that substitute read, as many of us do not know what it is?

The CHAIRMAN. Without objection, the Clerk will again report the substitute.

There was no objection, and the Clerk again reported the substitute.

The CHAIRMAN. The question is on the substitute offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. LA GUARDIA) there were—ayes 24, noes 266.

So the substitute was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. RAINEY) there were—ayes 101, noes 190.

Mr. RAINEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. RAINEY and Mr. HAWLEY to act as tellers.

The committee again divided; and the tellers reported—ayes 116, noes 197.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GROSS INCOME DEFINED

SEC. 213. For the purposes of this title, except as otherwise provided in section 233—

(a) The term "gross income" includes gains, profits, and income derived from salaries, wages, or compensation for personal service (including in the case of the President of the United States, the judges

of the Supreme and inferior courts of the United States, and all other officers and employees, whether elected or appointed, of the United States, Alaska, Hawaii, or any political subdivision thereof, or the District of Columbia, the compensation received as such), of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever. The amount of all such items shall be included in the gross income for the taxable year in which received by the taxpayer, unless, under methods of accounting permitted under subdivision (b) of section 212, any such amounts are to be properly accounted for as of a different period.

(b) The term "gross income" does not include the following items, which shall be exempt from taxation under this title:

(1) The proceeds of life insurance policies paid upon the death of the insured;

(2) The amount received by the insured as a return of premium or premiums paid by him under life insurance, endowment, or annuity contracts, either during the term or at the maturity of the term mentioned in the contract or upon surrender of the contract;

(3) The value of property acquired by gift, bequest, devise, or descent (but the income from such property shall be included in gross income);

(4) Interest upon (a) the obligations of a State, Territory, or any political subdivision thereof, or the District of Columbia; or (b) securities issued under the provisions of the Federal farm loan act, or under the provisions of such act as amended; or (c) the obligations of the United States or its possessions. Every person owning any of the obligations or securities enumerated in clause (a), (b), or (c) shall, in the return required by this title, submit a statement showing the number and amount of such obligations and securities owned by him and the income received therefrom, in such form and with such information as the commissioner may require. In the case of obligations of the United States issued after September 1, 1917 (other than postal-savings certificates of deposit), the interest shall be exempt only if and to the extent provided in the respective acts authorizing the issue thereof as amended and supplemented and shall be excluded from gross income only if and to the extent it is wholly exempt to the taxpayer from income taxes;

(5) The income of foreign governments received from investments in the United States in stocks, bonds, or other domestic securities owned by such foreign governments, or from interest on deposits in banks in the United States of moneys belonging to such foreign governments, or from any other source within the United States;

(6) Amounts received, through accident or health insurance or under workmen's compensation acts, as compensation for personal injuries or sickness, plus the amount of any damages received, whether by suit or agreement, on account of such injuries or sickness;

(7) Income derived from any public utility or the exercise of any essential governmental function and accruing to any State, Territory, or the District of Columbia, or any political subdivision of a State or Territory, or income accruing to the government of any possession of the United States or any political subdivision thereof.

Whenever any State, Territory, or the District of Columbia, or any political subdivision of a State or Territory, prior to September 8, 1916, entered in good faith into a contract with any person the object and purpose of which is to acquire, construct, operate, or maintain a public utility—

(a) If by the terms of such contract the tax imposed by this title is to be paid out of the proceeds from the operation of such public utility, prior to any division of such proceeds between the person and the State, Territory, political subdivision, or the District of Columbia; and if, but for the imposition of the tax imposed by this title, a part of such proceeds for the taxable year would accrue directly to or for the use of such State, Territory, political subdivision, or the District of Columbia, then a tax upon the net income from the operation of such public utility shall be levied, assessed, collected, and paid in the manner and at the rates prescribed in this title, but there shall be refunded to such State, Territory, political subdivision, or the District of Columbia (under rules and regulations to be prescribed by the commissioner with the approval of the Secretary) an amount which bears the same relation to the amount of the tax as the amount which (but for the imposition of the tax imposed by this title) would have accrued directly to or for the use of such State, Territory, political subdivision, or the District of Columbia, bears to the amount of the net income from the operation of such public utility for such taxable year.

(B) If by the terms of such contract no part of the proceeds from the operation of the public utility for the taxable year would, irrespective of the tax imposed by this title, accrue directly to or for the use of such State, Territory, political subdivision, or the District of Columbia, then the tax upon the net income of such person from the operation of such public utility shall be levied, assessed, collected, and paid in the manner and at the rates prescribed in this title;

(8) The income of a nonresident alien or foreign corporation which consists exclusively of earnings derived from the operation of a ship or ships documented under the laws of a foreign country which grants an equivalent exemption to citizens of the United States and to corporations organized in the United States;

(9) Amounts received as compensation, family allotments and allowances under the provisions of the war risk insurance and the vocational rehabilitation acts or the World War Veterans' act, 1924, or as pensions from the United States for service of the beneficiary or another in the military or naval forces of the United States in time of war, or as a State pension for services rendered by the beneficiary or another for which the State is paying a pension;

(10) The amount received by an individual as dividends or interest from domestic building and loan associations, substantially all the business of which is confined to making loans to members, but the amount excluded from gross income under this paragraph in any taxable year shall not exceed \$300;

(11) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation;

(12) The receipts of shipowners' mutual protection and indemnity associations, not organized for profit, and no part of the net earnings of which inures to the benefit of any private shareholder; but such corporations shall be subject as other persons to the tax upon their net income from interest, dividends, and rents;

(13) In the case of a person, amounts distributed as dividends to or for his benefit by a corporation organized under the China trade act, 1922, if at the time of such distribution he is a resident of China, and the equitable right to the income of the shares of stock of the corporation is in good faith vested in him;

(14) In the case of an individual citizen of the United States, amounts received as salary or commission for the sale for export from the United States of tangible personal property produced in the United States, in respect of such sales made while he is actually employed outside of the United States, if he is so employed for more than six months during the taxable year.

(c) In the case of a nonresident alien individual, gross income means only the gross income from sources within the United States, determined under the provisions of section 217.

Mr. GREEN of Iowa. Mr. Chairman, I offer a committee amendment, which has been sent to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 38, line 13, strike out "upon" and insert "by reason of."

The question was taken, and the amendment was agreed to.

Mr. JOHNSON of Washington. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 43, line 10, strike out the period and insert a semicolon, and after line 10 insert a new paragraph to read as follows:

"(15) Amounts received by officers or employees of any State or political subdivision thereof as compensation for personal services in such office or employment, except to the extent that such compensation is paid by the United States Government directly or indirectly. For the purposes of this paragraph the terms 'officers' and 'employees' shall include individuals employed by a corporation at least 95 per cent of the ownership or control of which is directly or indirectly, through voting power or otherwise, vested in a State or political subdivision thereof.

"Any taxes imposed by the revenue act of 1924 or prior revenue acts upon any individual in respect of amounts received by him as compensation for personal services as an officer or employee of any State or political subdivision thereof (except to the extent that such compensation is paid by the United States Government directly or indirectly) shall, subject to the statutory period of limitations properly applicable thereto, be abated, credited, or refunded."

Mr. JOHNSON of Washington. Mr. Chairman and gentlemen, this amendment is offered as a new subdivision to the one defining gross income and is designed to take care of the employees in cities who are employees of municipal waterworks, municipal gas works, municipal light plants, and the like of that. In a great many of the western cities and a number of eastern cities public utilities of that kind are owned entirely by the city. In fact, most waterworks are now municipally owned. The income-tax regulations have provided that employees of this character are not subject to the exemptions granted to other municipal employees. This brings about an acute and awkward situation in many cities. For instance, in the city of Tacoma an engineer might be employed in the sewer department at a salary of \$6,000 a year, we will say, and be subject to no Federal tax, and let him be transferred by the city commissioners to work in the light department or in the water department, and he then has to pay the Federal tax.

Mr. McKEOWN. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. McKEOWN. Has the question been tested in the courts?

Mr. JOHNSON of Washington. Yes; I think it is now pending in the courts. I think lawyers will understand—I am not a lawyer—there is a division as to the two classes of city employees, and it strikes me as an inequity that a distinction is made as a result of the rules rather than of the law. The provision I offer corrects this. It will apply in most cases to the men ordinarily with small incomes. The gross amount affected by this amendment will not amount to very much. It cures an inequality which I would like to see changed. It is not a case of creating a new exempted class, but of making uniform the exemption. The courts agree that we can not tax State or city employees.

Mr. WEFALD. If the gentleman will permit, I would like to ask why these employees have been discriminated against?

Mr. JOHNSON of Washington. I will not call it exactly a discrimination, as it is a matter of regulation, and the reason is this: There seems to be two kinds of employees of a city. Certain departments are recognized as pure city functions, such as the fire department.

The fire department is a legal and fundamental city activity. If that department runs down and kills somebody the city can not be sued. In the other kinds of activities are such as the water or the gas works, and these are considered an added activity. The department has held that an added activity is not, strictly speaking, a full municipal activity. I think this House now should recognize the equity in the case and make the same exemption apply to all city employees. Under the Constitution we can not tax city employees of the class I have mentioned, like the fire department. They are exempt. City waterworks employees, however, must pay a Federal tax if their salaries are large enough. Now, I do not believe that the House of Representatives, when it understands the situation, desires to do this. The tax law heretofore has not spoken on the subject. This amendment is not a violent attack upon the bill, but merely makes a minor change for purposes of equity.

Mr. FREDERICKS. Will the gentleman yield for a question?

Mr. JOHNSON of Washington. Yes.

Mr. FREDERICKS. Suppose a city owns and operates a railroad; that it employed on that railroad conductors, motormen, men who lay the tracks and keep the operation in repair; they will have the exemption?

Mr. JOHNSON of Washington. This new tax law is such that it will take a considerable income to reach the exemption. Suppose a city had a civil engineer and takes him from one civic activity where he is exempt and transfers him to another civic industry where he is not exempt. Is it fair? Now, just a minute before my time expires.

Mr. McKEOWN. The bonds of that same company would be exempt.

Mr. JOHNSON of Washington. That is true, and that is an argument for the change. Further, those interested in these cases pending in very many cities are asking the Federal Government to collect the income taxes for several years back from these employees, and very few of those are able to pay back taxes.

I had thought that if this amendment, which is germane, should be put into the bill by the vote of this Committee of the Whole, I would then offer an amendment which might be subject to a point of order, attempting to exempt the employees of this kind from the payment of back taxes. I withhold that, however, until we see the result on this amendment, which I hope will be adopted.

The CHAIRMAN. The gentleman from California [Mr. FREDERICKS] is recognized for five minutes.

Mr. FREDERICKS. Mr. Chairman and gentlemen, I am opposed to this amendment. I have received, I suppose, two or three thousand letters, sent by public-service employees of my district, asking me to so vote as to assist in exempting them from paying income taxes.

The city of Los Angeles, part of which I have the honor to represent, owns and operates an electric-lighting system which furnishes electric light for more than one-half of the city, and operating right alongside of that is a lighting system which is owned, say, by the Los Angeles Gas & Electric Co. Here is one set of employees going out and reading meters, doing the same work as another set of employees are doing. One is taxed and the other is not.

Suppose the manager or the president of that electric-light system, which is owned and operated by the city of Los Angeles, receives a salary of \$10,000 or \$15,000 a year for managing that electric-light system. He would be exempt from income taxation, while the manager of the electric-light system doing business right alongside of him would, under the amendment offered

by the gentleman from Washington [Mr. JOHNSON], be required to pay an income tax.

I say to you, gentleman, this is one of the inequities that is growing up in this country as the result of municipal ownership. When the time comes, if it ever does, when the railroads and the electric lighting plants and street railroads of our city are owned and operated by the Government and their employees taken out from the payment of taxes and their salaries fixed by law you are going to have a very busy time dodging their propaganda.

Mr. SCHNEIDER. Mr. Chairman, will the gentleman yield? Mr. FREDERICKS. Yes.

Mr. SCHNEIDER. Just how many employees would be compelled to pay this tax?

Mr. FREDERICKS. Just as many as are employed by a company owned privately.

Mr. SCHNEIDER. That would be the case under this bill?

Mr. FREDERICKS. Yes.

Mr. McKEOWN. The bonds of municipal plants are not taxed, are they?

Mr. FREDERICKS. No.

Mr. McKEOWN. The gentleman is willing that their bonds should be not taxed?

Mr. FREDERICKS. No; I am not willing for their bonds to be not taxed.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. FREDERICKS. Yes.

Mr. CONNERY. Does the gentleman think it just and equitable for the mayor of a city or the city clerk or other officials to be exempt from taxation, and then when you come to the water commissioner and employees in the water department that they should be taxed?

Mr. FREDERICKS. The mayor and his associate officials are engaged in a public function. The man doing his work under a public-service corporation in tamping ties, or in punching tickets, or in running a railroad, or in reading electric-light meters is doing the same thing that his brother is doing and is taxed for on the other side of the street. He is not engaged in a government function at all.

Mr. CONNERY. It is a governmental function just the same, is it not?

Mr. FREDERICKS. You can not make it a Government function except by fiat, by arbitrary declaration.

Mr. JOHNSON of Washington. Take the case of a wharf, a public wharf on the waterside owned by a city, which is operated by the municipality in competition with a privately owned wharf. What then?

Mr. FREDERICKS. Yes. We have such a situation there in my city. There the city men are asking to be exempted from the payment of their taxes. Right alongside of them are men doing exactly the same kind of work at the same rate of wages, and they are required to pay taxes. What reason is there in logic or justice why a man who gets his pay from the city or county should not pay his taxes? Is there any halo around his head?

The fact that city employees are exempt from Government income tax is not a right, a personal right. It is simply because the Government is not allowed by law to place a tax on them, and this inhibition should go no further than is absolutely necessary. By all that is right and fair, city employees should be taxed as others are, and would be, as we are, if it could be done.

Mr. McSWAIN. John Marshall is against it. That is the logic.

The CHAIRMAN. The time of the gentleman from California has expired. The gentleman from Arkansas [Mr. WINGO] is recognized for five minutes.

Mr. WINGO. Mr. Chairman, the gentleman who has just addressed the committee is evidently a very able lawyer. The only answer I want to submit to his statement is that he has made a conclusive argument in favor of the amendment offered by the gentleman from Washington [Mr. JOHNSON]. He contends that it will build up a discrimination between two groups of men doing identically the same kind of work. The object of the amendment offered by the gentleman from Washington is to do away, so far as possible, with this discrimination among public employees.

He gave the illustration of a superintendent of an electric-light plant. I will give you another illustration. I know a man who is a city waterworks commissioner, drawing \$5,000 salary. His duties are allocated, and he has charge of this public utility. The gentleman talks about the logic of the situation. The exemption of these public employees of the State and municipalities is based upon the old, unanswerable argument that the power to tax is the power to destroy, and

that the Congress or the Federal Government can not tax these agencies of the city or the municipality.

Now, let us see what you have. Under a strained construction of the Treasury and by the courts you have this man, receiving \$5,000, the commissioner, getting exemption from the tax; and sitting across the table from him—I see him now, and he is really doing the work—is the clerk of the water system of the city, and the Treasury says "No." He is supposed to have a public position, and is supporting his family. The Treasury says, "We will exempt the boss, but the man who does the work is not exempt." These city employees are just as much city employees as is the city council or the mayor or an employee of a local or political unit of the State or county now exempt; and yet that fellow and all his fellow employees are taxed.

The object of the amendment offered by the gentleman from Washington is to remove that inequality which the gentleman from Los Angeles says he wants not to build up because it is vicious. The power to tax is the power to destroy, and for that reason, a fundamental reason, we do say that where there is a city official engaged in a business which competes, as must be the case in these matters, with privately owned utilities, it is a question not of competition, but a question resting upon the sound proposition that the Federal Government must not lay its hand in the way of taxation upon any agency of the State or municipality.

Mr. FREDERICKS. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. FREDERICKS. My colleague pays a tax as Congressman, and the President of the United States pays a tax. What is the difference between the character of my colleague's governmental employment and the character of the governmental employment of the mayor of his city, who does not pay a tax?

Mr. WINGO. As a lawyer my colleague ought to know that I am a Federal official while the mayor is a city official. The Federal Government has no right, much less power, to tax the officials of a State, or of a municipality or any other official of a State.

Mr. JOHNSON of Washington. And the courts have so decided.

Mr. WINGO. Yes; the courts have so decided.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. GARRETT of Tennessee. It has always been my impression that the reason we exclude the salaries of State officials from taxation is because of the provision which is in the constitutions of most States, I think, providing that the salaries of certain officials should not be decreased during the time they were in office.

Mr. WINGO. That is one reason. I repeat the old legal axiom, the power to tax is the power to destroy. You let me control the tax policy of the Nation and you can fix your standing armies and you can select every official you want to, because the power to tax is the real power in an industrial nation. We can decrease the salaries of these local officials by a tax measure that will be fair on its face and uniform in application, yet destroy entirely his emoluments of office.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. SABATH. Mr. Chairman, the gentleman from Arkansas has answered the gentleman from California [Mr. FREDERICKS], and therefore it is not necessary for me to make an effort to do so.

I am, indeed, pleased that I can support the amendment offered by the gentleman from Washington [Mr. JOHNSON]. We are not together at all times, but I hope in the near future we shall be. I am with him in his effort to bring about the elimination of this unfair discrimination. It is not intentional, but still it is a discrimination.

Now, the gentleman has given you an illustration as to the employees in his city. The city of Chicago, which I in part represent, is fortunate enough to own its own waterworks. We have several thousand men employed, and we have thousands of others employed in other departments. All those in other departments are exempt, but those who happen to be doing the hardest work in the water department are not, but are obliged to pay tax. I have always thought it was manifestly unfair that this discrimination or oversight should have remained so long, and I am, indeed, pleased that the gentleman has offered his amendment, which I hope will be carried.

Mr. STEVENSON. Mr. Chairman, the gentleman from California [Mr. FREDERICKS] asked the gentleman from Arkansas [Mr. WINGO] if his salary as a Member of Congress was not taxed. Yes; that is correct; it is taxed. But by whom is the salary taxed? By the same sovereignty he serves. Congress

taxes a Congressman's salary and the Federal Government is laying its hands upon the salary of a Federal officer. But you let the State of California undertake to levy a tax on the gentleman's salary as a Congressman and you will hear a howl that will run around the whole country. [Applause.]

It is the principle laid down by Marshall that my friend from South Carolina [Mr. McSWAIN] referred to a while ago, that one sovereignty shall not have the right to lay its hands upon the instrumentalities of government of another sovereignty. The two sovereignties exist here, and each one has its sphere, its functions, and its powers, but neither government can lay its hands upon the functions of the other by way of taxation or otherwise. If the Federal Government should undertake to tax the other sovereignty, it would then have the right to embarrass and destroy the State government in all of its ramifications, and there is nothing better settled than the fact that municipal officers are officers of the State for purposes of government.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. MORTON D. HULL. Why should that exception be carried any further than it has to be carried? Why should we go any further than we have?

Mr. STEVENSON. The gentleman says "any further than we have." Then that brings it down to this: Are you going to be unjust when you come to deal with these subordinates? The gentleman from Washington [Mr. JOHNSON] has very candidly stated to you that it is an injustice to these other people, because we do not tax the mayor and other high officials, but we do tax the subordinates. However, I am not prepared to admit that we have a right to tax even the subordinate officers, and some of these days you will get a decision from the Supreme Court which will probably knock out that feature of your taxation system.

Mr. BYRNS. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. BYRNS. It is a plain discrimination against one class of city employees throughout the country where the city owns its waterworks, and that is something which the amendment offered by the gentleman from Washington seeks to correct.

Mr. STEVENSON. Yes; and have more equal taxation.

Mr. ARENTZ. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. ARENTZ. What about a man who takes a contract on a cost-plus 10 per cent basis for a State or county? He is working just as much for the State or county as a man who is working on a salary.

Mr. STEVENSON. Yes, sir; he has a cost plus 10 per cent contract; but he is an independent contractor, and he can work or he need not work, just as he sees fit. He can take a contract or he need not take a contract. It is a matter of contract between him and the municipality as to what he gets; but when a man takes the office of water commissioner, for instance, of a city, the salary is fixed for that office by the ordinance of the city or the law of the State, and he has got to take that salary, and if you take a part of it you have interfered with the power of the State to control its own business.

Mr. DENISON. Will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. DENISON. I think in some of the States—or at least I have heard so—the States have gone into the business of running elevators and banks. Does the gentleman think the employees of these elevators and banks ought to be exempted?

Mr. STEVENSON. That question is not up. I have always found it is better to discuss the question which is before us, and this amendment does not reach that. They are not instruments of government. Those are all semicommercial businesses, such as the State of South Carolina went into when she undertook to sell liquor, and the Supreme Court said that we had to pay a tax on that because it was not a governmental function but an effort to conduct a business usually denominated mercantile; but handling the water system of a city is a governmental function, and you have a right to have them exempted.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. GREEN of Iowa. I would like to say to the gentleman from South Carolina that the gentleman is entirely mistaken as to the extent to which this amendment goes. It would apply to such elevators and banks.

Mr. JOHNSON of Washington. Before a vote is taken, Mr. Chairman, I would like to have the amendment read.

Mr. HUDDLESTON. Mr. Chairman, the gentleman from California [Mr. FREDERICKS] came very near convincing me

that I ought to vote for this amendment. It was only by taking refuge in principle I was able to defend myself against his argument. [Laughter.]

I remember how the gentleman from Iowa [Mr. GREEN] led an effort to amend the Constitution so as to restrict exemptions from income taxation based upon the source from which the income is derived, and that I supported his efforts. We were unsuccessful; but undoubtedly we stood for a sound principle. Exemptions should belong to the individual because of some right, quality, or need in him and not to the nature or source of the income itself. Incomes should not be tax-exempt because of the source from which they are derived. That principle is of universal application.

An officer, neither of State nor of the Federal Government, should be permitted to draw a salary and claim exemption merely because it is an officer's salary, nor should holders of public securities, whether State, municipal, or Federal, be permitted to draw their interest earnings and refuse to contribute anything to the Government that gives them protection and enables them to draw the income.

Let us apply this principle to the amendment of the gentleman from Washington [Mr. JOHNSON]. He proposes to still further extend the vicious privilege of exemption, and the only argument in favor of it is that the income is derived indirectly from the State or the municipality. That is absolutely the only argument, and that, it seems to me, is an argument which defeats itself.

EXEMPTIONS HATEFUL IN PRINCIPLE

I regard his proposal as being of itself a discrimination. Discriminations of all kinds are hateful, particularly discriminations in taxation, and certainly we ought not carry this evil principle still further. Rather should we go back to fundamentals and strike down all exemptions granted because of the source from which the income is derived. [Applause.]

Mr. JOHNSON of Washington. Will the gentleman now yield?

Mr. HUDDLESTON. I yield, if I have any time left.

Mr. JOHNSON of Washington. Inasmuch as we can not correct either of the two things of which the gentleman complains in this bill, why should we go on and fail to support an amendment that will prevent part of city employees from being free of this tax and the other part not free from it?

Mr. HUDDLESTON. Did the gentleman support the amendment which had for its purpose the taxation of income derived from public securities? If so, his position is absolutely inconsistent, because now he is trying to extend the principle of exemption still further.

Mr. GREEN of Iowa. If the gentleman will yield, the gentleman is quite correct. This will not remove discrimination, but will simply increase discrimination.

Mr. HUDDLESTON. Indeed, it will increase discrimination. What about the neighbor living alongside of this city employee, who works just as hard at the same kind of work and gets no more salary; why should a man merely because he happens to work for a public utility corporation, though owned by a city, enjoy a benefit which other citizens do not enjoy?

Mr. JOHNSON of Washington. Does the gentleman favor exempting one-half of the people and not the other half who are doing exactly the same kind of work?

Mr. HUDDLESTON. I would correct that situation by striking down all tax exemptions based on source of income and not by aggravating by carrying it still further, but the gentleman wants us to carry this evil principle still further and raise up a worse discrimination among people who do the same kind of work. We refrain from taxing the incomes of State and city officials because of the holding that the Constitution forbids it. The gentleman's amendment would carry this benefit to classes who are admittedly not protected from payment by the Constitution.

DIVIDED ON A FALSE ISSUE

The argument of the gentleman from California [Mr. FREDERICKS] and replies which have been made indicate that Members are reacting toward the amendment on the basis of whether they favor municipal ownership of public utilities. Those who oppose municipal ownership appear to wish to strike at it by taxing the wages of employees. Those on the other side of that issue seem inclined to support the amendment on the thought that it will tend to promote municipal ownership. I submit to both sides that the amendment should be tested by principle and not by its bearing on municipal ownership. There are sound principles of taxation by which all proposals should be tested. There is a principle based on sound public policy for the testing of this amendment, and

that is that the source from which property is derived should not control whether it should be subjected to taxation.

It is fundamental that taxes should be levied with equality upon property of the same kind and without discrimination on account of its origin, and that exemptions, if any, should extend, not to the property itself but to the individuals owning it. Any other rule inevitably leads to injustice. This rule is particularly applicable to taxes on incomes, as was recognized by the sixteenth amendment, which provides that taxes may be laid "on incomes from whatever source derived." Everyone supposed that this rule had been finally established by the sixteenth amendment until the Supreme Court decided that it was not applicable to salaries of public officers and incomes from public securities.

THE ONLY MORAL JUSTIFICATION FOR TAXATION

It is also fundamental that the only moral excuse for taxation is that taxes are to be regarded as payment for benefits derived from organized government and that the necessary expenses of government should be apportioned among the taxpayers in the ratio in which they derive such benefits. This principle operates to relieve the poor and to place the burdens of government upon the propertied classes, who derive the chief benefits from government and for whose protection its chief expenses are incurred. This wholesome principle is violated by any system which permits citizens to hide away vast wealth in tax-free securities and thereby to avoid payment of their share of governmental expense incurred in protecting them and their property, and to evade a burden which is rightfully theirs.

The constitutional amendment providing for the taxation of incomes derived from public securities, urged during the Sixty-eighth Congress, was faulty and inadequate—it was merely a step in the right direction. I proposed an amendment to it which would have subjected official salaries and also incomes from public securities already outstanding. My amendment would have made the constitutional provision universal in its application to incomes and would have made any discrimination impossible. It would have been confiscatory in a sense, but not different in that respect from the sixteenth amendment, which did not limit its operation to incomes from property acquired after its adoption. All laws increasing rates of taxation or taxing subjects not theretofore taxed are confiscatory in the same sense.

THE EVIL OF TAX DODGING

As a matter of public policy it is quite hurtful that profiteers and others who made vast sums out of the war should be permitted to hide their gains away in tax-free securities so as to escape paying their part of the war debt and other expenses of government. Such a situation tends to discredit our system and to undermine the faith of the people in our institutions. It promotes unrest, discontent, and other conditions tending to disorder. It is not yet too late and the situation may yet be corrected by the adoption of an amendment similar to the amendment which I proposed.

A common objection to the amendment subjecting incomes from public securities was that it would discourage States and municipalities in issuing bonds for public improvements. This was met by the answer that excessive debts were being incurred for public improvements and the amendment would tend to correct this evil. With this answer I have no sympathy. While it is true that States and cities have been imprudent in expenditures for improvements, this is a matter which the principle of self-government places within their discretion, and of which they should be the final judges.

TAX EXEMPTION COSTLY TO FEDERAL GOVERNMENT

However, it is a fact that, for the small advantage which accrues to States and cities through the nontaxable quality of incomes from their securities, the Federal Government is forced to lose in taxes an amount altogether out of proportion. I will explain. The difference in market prices between tax-free and non tax-free bonds ranges from one-half of 1 per cent to three-fourths of 1 per cent per annum. For instance, where a tax-free bond can be sold to yield $4\frac{1}{2}$ per cent, the non tax-free bond can be sold to yield from 5 per cent to $5\frac{1}{4}$ per cent. For data on this point see current prices on Liberty bonds, farm loan bonds, and State and municipal bonds—which compare with standard railroad bonds, equipment trust certificates, and national bank stocks. Income taxes are levied on a sliding scale, with rates much higher on the large incomes. To a taxpayer with \$10,000 income it makes very little difference whether the bond be tax free or not. To the large taxpayers the situation is quite different. It is estimated that to a man with \$500,000 income it makes a difference of 40 points whether the bond be tax free or otherwise. For instance such a man

will receive the same net return from a tax-free bond bought at 140 that he would from a non tax-free bond bought at 100. To such a purchaser a State bond should be sold at 140 when he would pay only 100 for a railroad bond. Those with large incomes constitute a small class. They do not compete among themselves in buying tax-free bonds, therefore such bonds do not sell in a competitive market. They are worth to the \$10,000 man little more than a non tax-free bond. To him they are not worth above a small premium. He can not afford to pay as much as the \$500,000 income man. The latter has no competition except with others of similar incomes, with the result that he can usually obtain tax-free bonds for from 103 to 110 (yielding about $4\frac{1}{2}$ per cent) when their value to him, because of the nontaxable feature, may run to 140. It follows that tax-free bonds are sold only to large-income men, and that because of the tax saving to him they are sold for much less than the purchaser could afford to pay.

The State or city benefits by the sale of tax-free bonds from one-half to three-fourths of 1 per cent per annum in the rate of interest paid, saving, say, 50 cents per year on a \$100 bond above the rate on a nontax bond. The National Government on the other hand on each \$100 tax-free bond loses some \$2 to \$4 annually which it might have collected as tax on the income from a taxable bond. The city saves 50 cents, the Government loses, say \$3. The Government loses to the bondholder, in the exemption of his income, four to six times the benefit the city derives. The difference is gained by the bondholder at the public expense.

Mr. LAGUARDIA. Mr. Chairman and gentlemen, in considering the amendment before the committee I do not believe it is playing the game fairly to permit fixed views in opposition to municipal operation of public utilities to decide the manner of voting on this amendment. Most of the opposition presented to the amendment offered by the gentleman from Washington is not to the gentleman's amendment, but is opposition to municipal operation of necessary public utilities.

Mr. GREEN of Iowa. Why does the gentleman say that?

Mr. LAGUARDIA. Has not the gentleman followed the argument?

Mr. GREEN of Iowa. I have, indeed, and I have not seen anything in the argument to indicate that. I am not opposed to municipal operation of public utilities.

Mr. LAGUARDIA. The gentleman from California based his whole argument on direct opposition to municipal operation of street railroads and of lighting systems. The city of Los Angeles ought to be congratulated that it has advanced so far as to have a municipal electric-light plant. I wish we had one in New York.

Mr. GREEN of Iowa. Either my friend from New York did not listen or else my friend from California was not fortunate in his expressions, because I am quite sure the gentleman did not intend that.

Mr. FREDERICKS. The gentleman did not quite grasp the deep meaning of my remarks.

Mr. LAGUARDIA. They were very deep, and that is just the point I am making. They were deep, and I really grasped the meaning, deep as it was.

Gentlemen, in New York City, a city of 6,000,000 people, we have a water-supply system owned and operated by the municipality of New York. We use \$44,000,000 gallons of water a day. We have the greatest water-supply system in the whole world. Gentlemen, can you imagine what would happen to the people of New York City if that water-supply system was in the hands of the Interborough or the Consolidated Gas? Can you imagine leaving water supply to private monopoly? We employ a big staff of engineers in our water department. The New York water system requires a large staff of employees. We go way up to the Catskill Mountains for our water. We have a series of reservoirs, storing the water from two mountain watersheds. We have been able to supply water at a very small cost to the millions of consumers.

We had the example in New York City of private water companies, and in one instance the cost of water became so exorbitant that the city had to step in and take over the plant by condemnation proceedings. I can understand Members being conservative and favoring private ownership, private ownership of public utilities, but it is sure going a long way back to stand on the floor of this House and to say that water supply is not a proper municipal function. It is not doing the right thing to discriminate against a group of city employees and tax them while employees of other departments are tax exempt in accordance with the law of the land. Gentlemen, it is not because some here particularly care to discriminate against these particular employees of the city but because of the struggle that is going on in this country against the people

acquiring public utilities and operating them for their own benefit. Some gentleman may fear that in granting this exemption to city employees in water departments it may be a recognition of the principle that water supply is a proper municipal function. That principle has been established years ago. To-day the only matter which the amendment brings up is that of removing a discrimination which exists, and I dare say, because of prejudice against municipally owned public utilities, a discrimination which was visited on many thousands of helpless and innocent city employees.

Our great water system naturally requires a large staff of highly specialized engineers and assistants. These engineers are taxed under the decision of the Treasury Department, while the engineers in another department, street paving, building, and fire and other departments are exempt. The amendment offered by the gentleman from Washington has the endorsement of the Society of Waterworks Engineers of the United States.

Mr. FREDERICKS. And the majority of that society comes under this amendment.

Mr. LaGUARDIA. Yes; because American cities have advanced to the place where they can not trust private ownership.

Mr. FREDERICKS. Of course, everybody who wants the tax removed will side in.

Mr. LaGUARDIA. And every public utility who wants to get its grasp on the city will oppose it. [Applause.] This amendment will remove an unjust discrimination. There are several employees in New York City who would be relieved if this amendment is approved.

Mr. WINGO. How much water does the gentleman say New York City uses?

Mr. LaGUARDIA. About 844,000,000 gallons a day.

Mr. WINGO. I hope the gentleman will not offer that as an argument, for it is straining our credulity. [Laughter.]

Mr. LaGUARDIA. Oh, yes; we use water in New York City. You sometimes use water to make the blend. [Laughter.]

Mr. GREEN of Iowa. Mr. Chairman, I am opposed to this amendment. I think it is clear that it ought to be voted down. The law makes no discrimination; it places a tax on everybody who receives a salary above a certain amount, but under a Supreme Court decision made more than 100 years ago the officers and agents of municipalities and States are exempt. The gentleman asked me if I think these people ought to be exempt and others employed by the municipality in water plants not exempt. I answer no, but for an altogether different reason than the gentleman would give. None of them ought to be exempt, any more than the Federal employees are exempt.

Mr. JOHNSON of Washington. You can not correct it in this bill.

Mr. GREEN of Iowa. They say that under this amendment there will be no discrimination. On the contrary, it will increase discrimination. For instance, here is a lawyer employed by the city, and what he receives from the city will be exempt, while the fellow lawyer working in the same line for a private corporation or individual will not be exempt.

Mr. LaGUARDIA. Corporation counsel are exempt.

Mr. GREEN of Iowa. They hold an official position; I am talking about increasing the discrimination. If the State owns an elevator—and I think one State owns a railroad—they would be exempt under the amendment, while the great mass of men working for railroads and elevators would not be exempt. If a city owns and operates a street-car line, under this amendment the employees will be exempt, while the employees of a corporation operating a car line in another part of the city would not be exempt. Soon there would be a claim that on account of this discrimination everybody should be exempt.

Mr. STEVENSON. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. STEVENSON. Only those that get over \$3,500 will be exempt.

Mr. GREEN of Iowa. That is true.

Mr. STEVENSON. And there are not many of them.

Mr. GREEN of Iowa. The fact that only a few would come under the amendment is no reason why we should do something that is unfair and improper. It is, however, a reason why we should reject the amendment. The general exemptions have been increased so as to take care of nearly all of the people affected.

Mr. BYRNS. Mr. Chairman, I offer an amendment to the amendment to insert after the word "corporation" in the amendment the words "conducting a public utility."

Mr. JOHNSON of Washington. May we have the amendment read as it would read with the amendment incorporated. I would be glad to accept that amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Tennessee.

The Clerk read as follows:

Amendment offered by Mr. BYRNS: After the word "corporation" in the amendment insert "conducting a public utility."

Mr. JOHNSON of Washington. Now, I ask to have the amendment read as it would read, if amended.

The Clerk read as follows:

Page 43, line 10, strike out the period and insert a semicolon, and after line 10 insert a new paragraph to read as follows:

"(15) Amounts received by officers or employees of any State or political subdivision thereof as compensation for personal services in such office or employment, except to the extent that such compensation is paid by the United States Government directly or indirectly. For the purposes of this paragraph the terms 'officers' and 'employees' shall include individuals employed by a corporation conducting a public utility at least 95 per cent of the ownership or control of which is directly or indirectly, through voting power or otherwise, vested in a State or political subdivision thereof."

Mr. BYRNS. Mr. Chairman, I wish to say that this amendment will relieve the objection that some gentlemen have made to the amendment of the gentleman from Washington. I think it is very clear that the law as now written and construed by the court and by the Treasury Department is a plain discrimination against city employees. As gentlemen have stated, there are many cities which own and operate their own waterworks. Men working by the side of each other at the same desk, drawing the same salary, but because one happens to be employed in the waterworks department and the other is doing other work, one pays an income tax and the other does not. I think that Congress ought to correct this inequality and this discrimination. The adoption of this amendment offered by the gentleman from Washington will do it.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. BLACK of Texas. I understand the city of Detroit—I do not know that I am correct in this—owns all of its electric lines. Does the gentleman think that all of the employees of the municipally owned lines of that great city should be exempt from the income tax?

Mr. BYRNS. Regardless of whether one thinks the employees of the city should be exempt, the fact is that we can not tax the income of employees of municipalities, and I do not think that Congress ought to put itself in the position of discriminating against employees in the public service of any city.

Mr. BLACK of Texas. If these men are municipal employees within the meaning of the Constitution, they will not be affected, but we are coming in here and by an affirmative definition undertaking to make them so.

Mr. LaGUARDIA. Oh, no; the gentleman is in error about that; it was a court decision.

Mr. GREEN of Iowa. The question is now pending in the courts.

Mr. BYRNS. No; the court has already passed upon the question.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee to the amendment of the gentleman from Washington.

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs upon the amendment of the gentleman from Washington.

The question was taken; and on a division (demanded by Mr. JOHNSON of Washington) there were—ayes 27, noes 165.

So the amendment was rejected.

Mr. WINGO. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WINGO: Page 43, beginning in line 4, strike out all of subsection (14).

Mr. WINGO. Mr. Chairman, the language I desire to strike out is on page 43, beginning at line 4, as follows:

(14) In the case of an individual citizen of the United States, amounts received as salary or commission for the sale for export from the United States of tangible personal property produced in the United States, in respect of such sales made while he is actually employed outside of the United States, if he is so employed for more than six months during the taxable year.

I am encouraged to offer that amendment by the vote which has just been taken, which evidently was against exemption from taxation. This exemption is not necessary upon the

theory that it is a hardship to these gentlemen to have these foreign positions. I happen to have on my desk at the present time urgent appeals from two of my constituents who are connected with two great corporations that are doing international business, asking me to aid them in getting sent abroad to one of the foreign agencies, because they are considered the choicest positions in these two great corporations.

I was in China this summer and I had an opportunity to see whether or not it is a hardship for a young man to represent the great corporations of the United States as the resident agent in Shanghai, in Hongkong, in Cheefoo. This employment is regarded as a special mark of favor upon the part of the corporations which they represent. It is a delightful service for them to have that wonderful experience, where living is cheaper than it is in the United States. One of my friends told me that a salary of \$3,000 a year in the city of Shanghai, under the living conditions there at that time and the purchasing power of the dollar, was infinitely better from a financial standpoint than my salary as a Member of the Congress of the United States, and yet it is proposed to exempt those men from taxation.

You refuse to exempt the man who works for a publicly owned waterworks district, even though he does the digging, but you will exempt the men who get these coveted positions. From the standpoint of economy of living, from the standpoint of the social opportunities they have for themselves and their families, they are the choicest commercial positions. They are fortunate, indeed, to be so placed with these industrial concerns, with machinery concerns, with the Standard Oil Co., and all of these great companies doing an international business.

Mr. JOHNSON of Washington. And the method used to defeat the effort to put the city employees on a par is an argument that no one can be exempt.

Mr. WINGO. Certainly. From the vote just had I am led to hope that we can adopt this amendment that I have offered. To my surprise I saw the gentleman from Alabama [Mr. HUDDLESTON] and the gentleman from Iowa [Mr. GREEN] walking arm in arm down the aisle. They got together at last on something, and it so appealed to my sense of the unusual, to the idea of beauty and harmony in its full fruition, that I felt like asking for the doxology and dismissing the meeting. [Laughter.] Here is an opportunity for them to get together again. Their very souls abhor the idea of exemption. I am giving them another opportunity to get together again in the parliamentary field, where their two minds can be together and their two souls can be one on a tax proposition. Exempt a man who has a fat job abroad and refuse to exempt men who serve the water districts of the city! Gentlemen, you would be inconsistent if you did not vote for my amendment, after you have voted against the amendment just voted down.

Mr. HUDDLESTON. The gentleman must understand that my position is that there should be no exemptions whatever on account of the source of income.

Mr. WINGO. I agree with the gentleman right now.

Mr. HUDDLESTON. And he can apply that to anything he likes.

Mr. WINGO. And I hope he will make as good an argument in favor of this amendment as he did against the other amendment, because the House, as usual, followed the gentleman when he and the stand-pat Republican leader agree.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken; and on a division (demanded by Mr. WINGO) there were—yeas 36, nays 145.

So the amendment was rejected.

The Clerk read as follows:

(c) In the case of a nonresident alien individual, gross income means only the gross income from sources within the United States, determined under the provisions of section 217.

Mr. AYRES. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. AYRES: Page 42, line 12, after the word "members" and the comma, insert "or savings banks."

Mr. GREEN of Iowa. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN of Iowa. Had not we entirely passed that paragraph?

Mr. AYRES. My understanding was you could—

Mr. GREEN of Iowa. I make the point of order.

The CHAIRMAN. The point of order is well taken as the preceding paragraph has been read.

Mr. AYRES. My understanding was that you could offer amendments at any time.

The CHAIRMAN. Within the consideration of the paragraph.

Mr. AYRES. I attempted that before the Clerk read that.

The CHAIRMAN. No.

Mr. AYRES. I ask unanimous consent to revert back to this paragraph. I do not intend to discuss it.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent to go back to the paragraph to which he offers his amendment, for the purpose of offering the amendment which has been read. Is there objection?

Mr. SPROUL of Illinois. Mr. Chairman, I object.

The Clerk read as follows:

(c) The amount of the interest deduction provided for in paragraph (2) of subdivision (a), unless the interest on indebtedness is paid or incurred in carrying on a trade or business, shall be allowed as a deduction only if and to the extent that such amount exceeds the amount of interest on obligations or securities the interest upon which is wholly exempt from taxation under this title.

Mr. McSWAIN. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 40, after line 3, insert a new subdivision, numbered 11, as follows:

"(11) All expenses actually paid, not exceeding \$500, for each tax year for medical, surgical, and hospital treatment, and burial for the taxpayer, his wife, dependent persons under 18 years of age, and dependent persons incapable of support because mentally or physically defective."

Mr. GREEN of Iowa. I think the gentleman has mistaken the place where this amendment should come, and I make the point of order it is not germane.

The CHAIRMAN. The point of order of the gentleman from Iowa is sustained, unless the gentleman can show the Chair to the contrary.

Mr. McSWAIN. Mr. Chairman, I think that this is the correct place, because the same point of order was made against it at another place last year and it was stated that this was the correct place at which to offer it. If the rules have been changed since last year, my friend is right. This is under the head of ordinary deductions, and it is not under the head of exemptions, because this is not an exemption. You are not exempt unless you have paid. And this is the place I remember last year was considered the proper place.

Mr. GREEN of Iowa. If the gentleman claims it is under the head of deduction—

Mr. McSWAIN. Ordinary deductions, just where we are now.

Mr. GREEN of Iowa. If the gentleman claims an exemption—

Mr. McSWAIN. I do not claim it to be an exemption. If my distinguished friend from Iowa understood me I said it was not an exemption but a deduction if paid. Does the gentleman withdraw the point of order?

Mr. GREEN of Iowa. I made the point of order it is not germane to the point at which offered.

Mr. McSWAIN. Does the Chair wish to hear any argument on the proposition? If the Chair pleases, this is under the head of deductions of various items if they are expended, or if losses are suffered. Now, there is not a single item under these 10 subdivisions that is deductible as a matter of course. They are only deductible in the event that the contingency contemplated by the law occurs.

The CHAIRMAN. If the gentleman from South Carolina will permit, the gentleman, the Chair thinks, has lost his rights by letting the two paragraphs immediately preceding go by, and it has passed the point where it would have been germane.

Mr. HAWLEY. Mr. Chairman, the amendment offered by the gentleman comes after the paragraph which provides in reference to interest received from tax-exempt securities and has absolutely no relation to the amendment which the gentleman proposes. We have read two paragraphs since the opportunity was afforded to offer the amendment which the gentleman had in mind.

Mr. McSWAIN. Mr. Chairman, I wish to be heard on that new point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. McSWAIN. It is this, if the Chair pleases: It is not an amendment to the existing paragraph, if you will observe, but I offer it as a new paragraph to the whole section, to be desig-

nated as subdivision 11 in parentheses. Now that is a new subdivision relating to the general subject of ordinary deductions. It is not a deduction that has any relation to either one of the 10 other deductions. It is a new class of deductions, separate and distinct from the others. Therefore, so long as it comes under the general subject of deductions, endeavoring to make another subdivision 11, instead of 10, and coming within the class of ordinary deductions, I hold that I am right. There is no more reason why I should have offered this amendment as subdivision 6 and thus require every one of the other subdivisions to be renumbered than that I should offer it as an amendment at the end of the whole bill.

Mr. GARNER of Texas. Let me make a suggestion to the gentleman from Iowa [Mr. GREEN]. Let us consider this now. The matter should be considered at some place in the bill, and I understand it could be offered on page 52. But it might as well be discussed now as later on.

Mr. GREEN of Iowa. I think under the rules it could not be considered anywhere, considering the point that we have now reached. But, deferring to the opinion of my colleague on the other side, the ranking Member of the minority, I will withdraw the point of order.

Mr. McSWAIN. Mr. Chairman and gentlemen of the committee, I appreciate the effort of the distinguished gentleman from Texas [Mr. GARNER] to enable me to have this question considered now, but I rather think from the tone of his voice in submitting the proposition that he did it as though he had said, "Mr. Chairman, this is as good a time to kill it as any other time." [Laughter.]

Now, gentlemen of the committee, this is as good a time as any other in which to put it in the bill, and when we go home and our doctors and funeral directors and hospital managers ask us why we were not in favor of a proposition so manifestly just as this, we must answer otherwise than by the argument made last year by the gentleman from Iowa. His argument then was that it would be too confusing and too tedious and complicated in its operation.

Now, what have we added? The first 10 provisions here provide that losses and debts shall be deducted. How can you prove it? It is provided that losses not covered by fire insurance shall be deducted. How are you able to prove it except by affidavit? It provides that losses to machinery by way of deterioration and wearing out shall be deducted. How can you prove it except by affidavit? If you are sick and pay a doctor's bill, or receive a hospital bill and pay it, how can you prove it except by affidavit? My friend from Iowa says it will be too complicated.

Mr. GREEN of Iowa. I will say to the gentleman that we have greatly increased the exemptions simply with a view of taking care of such matters. Instead of putting in further exemptions of this kind we wish to avoid complications. Perhaps we have already given a little too much leeway to parties who ought not to have it. The administrative difficulties in connection with things of this kind are so great that such a policy should not be embarked upon. If we increase these exemptions so as to take care of such things as those which the gentleman from South Carolina refers to, we shall never know when to stop or where to stop.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Carolina.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(c) In the case of a single person, a personal exemption of \$1,500; or in the case of the head of a family or a married person living with husband or wife, a personal exemption of \$3,500. A husband and wife living together shall receive but one personal exemption. The amount of such personal exemption shall be \$3,500. If such husband and wife make separate returns, the personal exemption may be taken by either or divided between them.

Mr. RAINEY. Mr. Chairman, I wish to offer an amendment.

Mr. GREEN of Iowa. Is the gentleman willing to wait until to-morrow before offering his amendment? I suggest that the committee now rise, and the gentleman can offer his amendment the first thing to-morrow.

Mr. GARNER of Texas. Why not let the gentleman from Illinois put his proposed amendment in the Record, so that the membership of the House can have it for information?

Mr. GREEN of Iowa. I have no objection to its being offered for information.

The CHAIRMAN. There is an amendment pending here offered by the lady from New Jersey.

Mr. GREEN of Iowa. Let the Clerk report it.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mrs. NORTON: Page 50, line 25, after the word "of," strike out "\$1,500" and insert in lieu thereof "\$2,500"; and, on page 51, lines 2 and 4, strike out the figures "\$3,500" and insert in lieu thereof "\$5,000."

Mr. GREEN of Iowa. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MADDEN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes, had come to no resolution thereon.

REPORT OF THE ALASKA RAILROAD

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on the Territories and ordered printed.

To the Congress of the United States:

In compliance with the requirements of section 4 of the act of March 12, 1914, I transmit herewith the report of the Alaska Railroad, covering the period from July 1, 1924, to June 30, 1925.

CALVIN COOLIDGE.

THE WHITE HOUSE, December 14, 1925.

INDEMNITY ON ACCOUNT OF THE DEATH OF DANIEL SHAW WILLIAMSON

The SPEAKER also laid before the House the following message from the President of the United States, which was read and referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report from the Secretary of State in relation to the claim presented by the British Government for indemnity on account of the death of Daniel Shaw Williamson, a British subject, at East St. Louis, Ill., on July 1, 1921. I recommend that the Congress authorize an appropriation, and that an appropriation be made to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

CALVIN COOLIDGE.

THE WHITE HOUSE, December 14, 1925.

ANNUAL REPORT OF PERRY'S VICTORY MEMORIAL COMMISSION

The SPEAKER also laid before the House the following message from the President of the United States, which was read and referred to the Committee on the Library:

To the Congress of the United States:

I transmit herewith for the information of the Congress the Sixth Annual Report of Perry's Victory Memorial Commission for the year ending December 1, 1925.

CALVIN COOLIDGE.

THE WHITE HOUSE, December 14, 1925.

REPORT OF THE GOVERNOR GENERAL OF THE PHILIPPINE ISLANDS (H. DOC. NO. 127)

The SPEAKER also laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, ordered printed and referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 21 of the act of Congress approved August 29, 1916 (39 Stat. 545), entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands," I transmit herewith, for the information of the Congress, the report of the Governor General of the Philippine Islands, including the reports of the heads of the departments of the Philippine government, for the fiscal year ended December 31, 1924.

I concur in the recommendation of the Secretary of War that this report be printed as a congressional document.

CALVIN COOLIDGE.

THE WHITE HOUSE, December 14, 1925.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. JEFFERS (at the request of Mr. BOWLING), for two weeks, on account of illness.

To Mr. PEERY, for one week, on account of illness in family.

PUBLICITY FEATURE OF THE PENDING REVENUE BILL

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record of to-day upon the publicity feature of the pending bill.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the Record upon the publicity feature of the pending bill. Is there objection?

There was no objection.

Mr. GRIFFIN. Mr. Speaker, the publicity feature of the present revenue law is eliminated under section 257 (A), which reads as follows:

Returns upon which the tax has been determined by the commissioner shall constitute public records, but they shall be open to inspection only upon order of the President and under rules and regulations prescribed by the Secretary and approved by the President.

Anticipating that that section will be reached in Committee of the Whole to-morrow, I desire to give notice that I shall present the following amendment, so as to have the paragraph read, as follows (new matter in italics):

Returns upon which the tax has been determined by the commissioner shall constitute public records, *but only the following features shall be open to inspection: (a) Name of taxpayer, (b) gross income, (c) amount of normal tax, (d) amount of surtax, (e) total tax assessed. No other figures or details of a taxpayer's return shall be open to inspection except upon the order of the President, under such rules and regulations as may be prescribed by the Secretary and approved by the President.*

The object of the proposed amendment is to permit the publication of the essential facts regarding the income of taxpayers without pandering to idle curiosity or jeopardizing the taxpayer's business by allowing its internal details and private transactions to be open to the inspection of either rivals or busybodies.

My proposal guards against every objection which has been urged against the continuation of the old "open door." At the same time it complies with the fundamental principle that every citizen is entitled to know that every other citizen able to bear his burden is pulling in harmony. There is no good reason why the public should not know what every citizen contributes to the support of his Government.

The tax books of every city and county in the land are open to anyone who cares to look at them. You can find out how much real-estate taxes any individual pays if you have any interest in the matter. There is no reason why the taxpayer who pays an income tax should be put in any special category and his dealings with the Government cloaked and concealed by an amiable Government. The man who earns his money honestly need not be ashamed of the disclosure. Crooks and gamblers may blush, but the honest man never.

The practice of European monarchies in keeping tax returns secret has been cited as an example for us to follow. It is said that Great Britain keeps them secret. That is no guide for us. It is easy to account for. They have an aristocracy of both blood and money and naturally fear to arouse the jealousy of the masses. But one thing you must give the English credit for. They swipe off a good slice of bloated incomes without compunction or apology. The victims bear the ordeal without complaint, because they have as a compensation their titles and coronets.

To the Lords of Convention 'twas Lord Claver'se who spoke,
"Ere the King's crown go down there are crowns to be broke."

Here in this country there are no crowns to be broke.

SPEECH OF PRESIDENT COOLIDGE AT THE NORWEGIAN-AMERICAN CENTENNIAL CELEBRATION

Mr. WEFALD. Mr. Speaker, I ask unanimous consent that the speech which was made by President Coolidge at the Norwegian-American centennial celebration, held at St. Paul on the 8th day of June this year, be printed as a public document, and that 10,000 copies be distributed through the folding room.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that the speech which President Coolidge delivered on June 8 at St. Paul be printed as a public document, and that 10,000 copies be distributed through the folding room. Is there objection?

Mr. BEGG. Mr. Speaker, reserving the right to object, I should like to ask the Speaker or somebody a question. I have no objection to this being done, but is it not rather unusual? Does not that come from the Committee on Printing, particularly with regard to the number of copies to be printed?

Mr. WEFALD. Mr. Speaker, I have just followed the precedents in making this request.

Mr. CHINDBLOM. I will say to the gentleman from Ohio that this was in commemoration of the first arrival of Norwegians for settlement in the United States.

Mr. BEGG. It is not a question of what it is for, but it is some Member asking unanimous consent to print 10,000 copies. It seems to me a little irregular, and I will refer it to the leader. It is up to him to determine, but I think it is irregular.

Mr. TILSON. I can assure the gentleman it has not been done so far as I know.

Mr. GARRETT of Tennessee. I suggest that the gentleman from Minnesota withdraw his request and present a resolution, and I do not think there would be any objection to the consideration of such a resolution.

Mr. TILSON. There is certainly no objection to what the gentleman wishes to have done, but it is the way he is proposing to do it.

Mr. BEGG. I should like to ask how much 10,000 copies will cost?

Mr. TILSON. That is something which ought to be ascertained from the Committee on Printing, and it ought to be done by resolution and not by unanimous consent.

Mr. BEGG. I would suggest that the gentleman make his request cover half of it.

Mr. TILSON. I prefer that the gentleman make his request in the usual form.

Mr. GREEN of Iowa. I suggest that the gentleman bring up such a resolution to-morrow evening.

Mr. WEFALD. I will say that I make the request at the solicitation of many prominent citizens of my State who are very much interested in having this speech printed.

Mr. TILSON. I will say that there is no objection to what the gentleman wishes to have done, but he should do it in the prescribed way.

Mr. WEFALD. Then, Mr. Speaker, I will withdraw my request.

The SPEAKER. The gentleman from Minnesota temporarily withdraws his request.

ADJOURNMENT

Mr. GREEN of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Tuesday, December 15, 1925, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

163. A letter from the Secretary of the Treasury, transmitting the report of the Surgeon General of the Public Health Service for the fiscal year 1925; to the Committee on Interstate and Foreign Commerce.

164. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Elizabeth River, N. C.; to the Committee on Rivers and Harbors.

165. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Stockbridge Harbor, Wis.; to the Committee on Rivers and Harbors.

166. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Waccamaw River from Red Bluff, S. C., to Pineway, N. C., with a view to providing a 4-foot channel; to the Committee on Rivers and Harbors.

167. A letter from the Director of the United States Veterans' Bureau, transmitting statement of receipts and expenditures of vocational rehabilitation, Veterans' Bureau special fund to the end of the fiscal year 1925, as required by section 7 of the vocational rehabilitation act; to the Committee on World War Veterans' Legislation.

168. A communication from the President of the United States, transmitting a statement showing names of persons under the appropriation "Meat inspection, Bureau of Animal Industry, 1925, their salaries and places of employment, together with contingent expenses for the fiscal year ending June 30, 1925"; to the Committee on Expenditures in the Department of Agriculture.

169. A letter from the Postmaster General, transmitting report of an experiment in the transportation of food products directly from producers to consumers or vendors (H. Doc. No. 126); to the Committee on the Post Office and Post Roads and ordered to be printed with papers.

170. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary

examination of Park River, Conn., up to Front Street, in Hartford; to the Committee on Rivers and Harbors.

171. A letter from the Secretary of the Interior, transmitting report of documents and files of papers which are not needed or useful in the transaction of the current business of the Department of the Interior; to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. DAVIS: Select committee to inquire into the operations, policies, and affairs of the United States Shipping Board and the United States Emergency Fleet Corporation (Rept. No. 2). Referred to the Committee on the Merchant Marine and Fisheries.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1955) granting an increase of pension to Vincent Skosky; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 3254) to reimburse Newton Watts, of Boonsboro, Howard County, Mo., for the loss of pension; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2669) granting a pension to Mary A. Sutton; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 742) granting a pension to Ida May Hassler; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2668) granting a pension to Cora V. Spielman; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2301) granting an increase of pension to Margaret A. Smith; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2171) granting a pension to Sarah F. Berry; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AUF DER HEIDE: A bill (H. R. 5345) to provide for the payment of taxes on real property title to which is vested in the United States of America, or any agency or instrumentality thereof, when such property is not used solely for public purposes, and rents or other emoluments are derived therefrom; to the Committee on the Judiciary.

Also, a bill (H. R. 5346) to provide for the payment of moneys in the city of Hoboken, N. J., in lieu of taxes on certain property the title to which was acquired by the United States of America through proclamation of the President; to the Committee on Claims.

By Mr. BRITTEN: A bill (H. R. 5347) providing for the purchase of a site and the erection thereon of a public building to be used as a post office at Chicago, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. BULWINKLE: A bill (H. R. 5348) to provide for an additional Federal district for North Carolina; to the Committee on the Judiciary.

By Mr. CELLER: A bill (H. R. 5349) to authorize the Secretary of War and the Secretary of the Navy to furnish a firing squad to fire the customary salute for any ex-service man; to the Committee on Military Affairs.

Also, a bill (H. R. 5350) to create a negro industrial commission; to the Committee on the Judiciary.

Also, a bill (H. R. 5351) to establish a fish-cultural station on Long Island Sound at Montauk Point; to the Committee on the Merchant Marine and Fisheries.

Also, a bill (H. R. 5352) to establish fish-hatching and fish-cultural stations in the States of Alabama, Arizona, Colorado, Florida, Indiana, Illinois, Maryland, New York, North Carolina, Oregon, Oklahoma, Texas, South Carolina, Massachusetts, and Washington; to the Committee on the Merchant Marine and Fisheries.

By Mr. CHRISTOPHERSON: A bill (H. R. 5353) to amend the act of Congress approved March 4, 1913 (37 Stat. 876); to the Committee on Public Buildings and Grounds.

By Mr. CONNERY: A bill (H. R. 5354) providing for a site and public building for post office and other Federal purposes at Lawrence, Mass.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5355) providing for a site and public building for post office and other Federal purposes at Peabody, Mass.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5356) providing for a site and public building for post office and other Federal purposes at Lynn, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. EDWARDS: A bill (H. R. 5357) providing for hospitalization and medical treatment of ex-service men, and use of Government hospitals for those in Life Saving Service and by all disabled persons in Government service, and establishing hospitals for treatment of drug addicts instead of trying to treat them in a penitentiary; to the Committee on World War Veterans' Legislation.

By Mr. ELLIOTT: A bill (H. R. 5358) authorizing the construction by the Secretary of Commerce of a power-plant building on the present site of the Bureau of Standards in the District of Columbia; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5359) authorizing the purchase by the Secretary of Commerce of a site and the construction and equipment of a building thereon for use as a master track scale and test car depot, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. ESLICK: A bill (H. R. 5360) for the purchase of a post-office site and the erection thereon of a suitable public building at Dickson, Tenn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5361) authorizing the acquisition of land and suitably marking the site of the Battle of Franklin, Tenn.; to the Committee on Military Affairs.

By Mr. GARBER: A bill (H. R. 5362) providing for the purchase of a site and the erection of a public building at Medford, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5363) to increase rates of pensions to certain soldiers, sailors, and marines of the Civil War, to certain widows of Civil War veterans, and to certain Army nurses of the Civil War; to the Committee on Invalid Pensions.

By Mr. GRAHAM: A bill (H. R. 5364) to create a negro industrial commission; to the Committee on the Judiciary.

Also, a bill (H. R. 5365) to amend the Judicial Code by adding a new section to be numbered 274D; to the Committee on the Judiciary.

By Mr. HICKEY: A bill (H. R. 5366) establishing a commission for the participation of the United States in the observance of the one hundred and fiftieth anniversary of the arrival of Thaddeus Kosciuszko; to the Committee on the Library.

By Mr. HUDSON: A bill (H. R. 5367) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. KINDRED: A bill (H. R. 5368) to amend the national prohibition act; to the Committee on the Judiciary.

By Mr. LEHLBACH: A bill (H. R. 5369) to amend and supplement the merchant marine act, 1920, the shipping act, 1916, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. MADDEN (by request): A bill (H. R. 5370) amending section 307 of the transportation act of 1920, approved February 28, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSE: A bill (H. R. 5371) for the reduction of postage on first-class mail matter; to the Committee on the Post Office and Post Roads.

By Mr. RUBEY: A bill (H. R. 5372) for the erection of a Federal building at Lebanon, Laclede County, Mo.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5373) for the erection of a Federal building at Mountain Grove, Wright County, Mo.; to the Committee on Public Buildings and Grounds.

By Mr. SABATH: A bill (H. R. 5374) to purchase a site west of the Chicago River for the erection of a post-office building and to erect a post-office building thereon in the city of Chicago, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. SHALLENBERGER: A bill (H. R. 5375) for the purchase of a site and the erection of a public building at

Minden, Nebr.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5376) for the purchase of a site and the erection of a public building at Alma, Nebr.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5377) for the purchase of a site and the erection of a public building at Franklin, Nebr.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5378) for the purchase of a site and the erection of a public building at Beaver City, Nebr.; to the Committee on Public Buildings and Grounds.

By Mr. SPROUL of Illinois: A bill (H. R. 5379) granting the consent of Congress to the county of Cook, State of Illinois, to construct a bridge across the Little Calumet River in Cook County, State of Illinois; to the Committee on Interstate and Foreign Commerce.

By Mr. SUTHERLAND: A bill (H. R. 5380) prohibiting the use of stationary fishing appliances in the tidal waters of the Territory of Alaska and providing a penalty; to the Committee on the Merchant Marine and Fisheries.

By Mr. VARE: A bill (H. R. 5381) to authorize the erection of a Veterans' Bureau hospital in Philadelphia, Pa., or in a section adjacent thereto; to the Committee on World War Veterans' Legislation.

By Mr. WILSON of Louisiana: A bill (H. R. 5382) to prevent the pollution by oil of navigable rivers of the United States; to the Committee on Rivers and Harbors.

By Mr. WILLIAMSON: A bill (H. R. 5383) to authorize the acquisition of a site and the erection thereon of a Federal building at Spearfish, S. Dak.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5384) to authorize the acquisition of a site and the erection thereon of a Federal building at Winner, S. Dak.; to the Committee on Public Buildings and Grounds.

By Mr. COLTON: A bill (H. R. 5385) to provide for the disposition of asphalt, gilsonite, elaterite, and other like substances on the public domain; to the Committee on the Public Lands.

Also (by request), a bill (H. R. 5386) to exclude foreign language publications from second-class mailing privileges; to the Committee on the Post Office and Post Roads.

Also (by request), a bill (H. R. 5387) to increase and equalize second-class postal rates; to the Committee on the Post Office and Post Roads.

Also (by request), a bill (H. R. 5388) to rectify, coordinate, and simplify the weights and measures of the United States; to the Committee on Coinage, Weights, and Measures.

Also (by request), a bill (H. R. 5389) to simplify the currency and coinage of the United States; to the Committee on Banking and Currency.

Also (by request), a bill (H. R. 5390) to fix a day rate for rediscounts by Federal reserve banks; to the Committee on Banking and Currency.

Also (by request), a bill (H. R. 5391) for the promotion of commerce, the provision of revenue, and the reduction of the public debt; to the Committee on Ways and Means.

Also (by request), a bill (H. R. 5392) to protect the freedom of commerce between the States; to the Committee on the Judiciary.

Also (by request), a bill (H. R. 5393) to establish uniform car rates and class rates for the transportation of freight by railroad carriers in commerce between the States; to the Committee on Interstate and Foreign Commerce.

Also (by request), a bill (H. R. 5394) to amend subsection (4) of the first paragraph of section 5 of the interstate commerce act, as amended by the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

Also (by request), a bill (H. R. 5395) to provide for the operation and disposition of merchant vessels of the United States Shipping Board Emergency Fleet Corporation; to the Committee on the Merchant Marine and Fisheries.

By Mr. EDWARDS: A bill (H. R. 5396) for the purchase of additional ground and the enlargement of the Federal building at Savannah, Ga., or the purchase of a new site and the erection of a new Federal building at Savannah, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5397) to provide for the authorization of appropriation for the purchase of a site and the erection of a Federal building at Reidsville, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5398) to provide for the authorization of appropriation for the purchase of a site and the erection of a Federal building at Claxton, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5399) to provide for the authorization of appropriation for the purchase of a site and the erection of a Federal building at Millen, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5400) to provide for the authorization of appropriation for the erection of a Federal building at Waynesboro, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5401) to provide for the authorization of appropriation for the purchase of a site and the erection of a Federal building at Sylvania, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5402) to provide for the authorization of appropriation for the purchase of a site and the erection of a Federal building at Metter, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 5403) to provide for the authorization of appropriation for the purchase of a site and the erection of a Federal building at Glennville, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. GRAHAM: A bill (H. R. 5404) for the appointment of an additional circuit judge for the second judicial circuit, and for the appointment of certain additional district judges; to the Committee on the Judiciary.

By Mr. HASTINGS: A bill (H. R. 5405) to provide for the construction of a military road at the United States cemetery at Fort Gibson, Okla.; to the Committee on Military Affairs.

Also, a bill (H. R. 5406) to provide for the furnishing of security bonds by national and State banks and trust companies which are members of the Federal reserve system, for the protection of depositors; to the Committee on Banking and Currency.

By Mr. PRATT: A bill (H. R. 5407) for the erection of a public building at Catskill, Greene County, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. BLAND: A bill (H. R. 5408) to provide for an examination and survey of Little Machipongo River, Northampton County, Va.; to the Committee on Rivers and Harbors.

By Mr. CELLER: Joint resolution (H. J. Res. 71) proposing the adoption of the Star-Spangled Banner as the national anthem; to the Committee on the Judiciary.

By Mr. HULL of Tennessee: Joint resolution (H. J. Res. 72) favoring early tariff revision to a level of moderate rates, coupled with a permanent international trade-agreement organization or congress to eliminate by mutual agreement discriminations, unfair trade practices, and other economic barriers in international finance, trade, and commerce, to prevent economic wars, and to promote fair, equal, and friendly trade and commercial relations among the nations of the world; to the Committee on Ways and Means.

By Mr. SUTHERLAND: Joint resolution (H. J. Res. 73) authorizing the improvement of the system of overland communications on the Seward Peninsula, Alaska; to the Committee on the Territories.

By Mr. AUF DER HEIDE: Joint resolution (H. J. Res. 74) authorizing and directing the Secretary of the Treasury to pay to the city of Hoboken, N. J., certain sums of money in lieu of taxes which have been withheld from said city of Hoboken, N. J.; to the Committee on Claims.

By Mr. FISH: Joint resolution (H. J. Res. 75) against any foreign interference in United States internal affairs and favoring public instruction in American ideals of our Government; to the Committee on Foreign Affairs.

By Mr. JACOBSTEIN: Resolution (H. Res. 45) requesting the President of the United States to act as mediator in settling the present anthracite coal strike and providing for Government seizure and operation of the mines; to the Committee on Rules.

By Mr. GREEN of Iowa: Resolution (H. Res. 46) for six months' salary and \$250 to Levi B. Cousins for funeral expenses; to the Committee on Accounts.

By Mr. BLOOM: Resolution (H. Res. 47) providing that the President of the United States urge the representatives of the anthracite coal operators and the union coal miners to renew their negotiations for a new wage scale, and for other purposes; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

By Mr. SCHNEIDER: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress to propose an amendment to the Constitution of the United States providing

for the election of President and Vice President by popular vote; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Wisconsin, memorializing Congress to propose an amendment to the Federal Constitution so as to permit the drafting of wealth in time of war; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Wisconsin, memorializing Congress to enact legislation relating to propaganda for or against public measures; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Wisconsin, relating to the acquisition of pipe lines and refineries used in the distribution and refining of gasoline; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND of Ohio: A bill (H. R. 5409) granting an increase of pension to Eldora Howard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5410) granting an increase of pension to Martha W. Y. Joslin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5411) granting an increase of pension to Elizabeth T. Douglass; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5412) granting an increase of pension to Mary A. Pemberton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5413) granting an increase of pension to Fannie Nier; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5414) granting an increase of pension to Emily J. McGee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5415) granting an increase of pension to Jane A. Shelton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5416) granting an increase of pension to Anna M. Lohnes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5417) granting an increase of pension to Lois L. Andrews; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5418) granting an increase of pension to Ellen Godfrey Brandabery; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5419) granting an increase of pension to Mary C. Corbett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5420) granting an increase of pension to Margaret L. Huffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5421) granting a pension to Rachel Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5422) granting an increase of pension to Josephine L. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5423) granting an increase of pension to William McCoy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5424) granting an increase of pension to Martha J. McGonagle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5425) granting an increase of pension to Sarah J. Dabe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5426) granting a pension to Maria Tway; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5427) granting an increase of pension to Mary E. Bolen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5428) granting a pension to Ella Buchanan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5429) granting an increase of pension to Ada A. Woodruff; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5430) granting an increase of pension to Alma Barrere; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5431) granting a pension to Orphia Isabell McBride; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5432) granting an increase of pension to Bridget M. McCarty; to the Committee on Pensions.

Also, a bill (H. R. 5433) granting an increase of pension to Mary Cunningham; to the Committee on Pensions.

Also, a bill (H. R. 5434) granting an increase of pension to Richard Petaford; to the Committee on Pensions.

Also, a bill (H. R. 5435) for the relief of Mead P. Creath; to the Committee on Claims.

By Mr. BUTLER: A bill (H. R. 5436) granting a pension to Francina Huntley; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 5437) granting a pension to Amanda Mason; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5438) granting an increase of pension to Anna M. Myers; to the Committee on Pensions.

By Mr. CELLER: A bill (H. R. 5439) for the relief of Hedwig Grassman; to the Committee on Claims.

Also, a bill (H. R. 5440) for the relief of Jay Jones; to the Committee on Claims.

Also, a bill (H. R. 5441) for the relief of Geraldine Kester; to the Committee on Claims.

Also, a bill (H. R. 5442) for the relief of Margaret B. Knapp; to the Committee on Claims.

Also, a bill (H. R. 5443) for the relief of Theresa M. Shea; to the Committee on Claims.

Also, a bill (H. R. 5444) for the relief of Thomas Steenworth; to the Committee on Claims.

Also, a bill (H. R. 5445) for the relief of the estate of James A. McErlain; to the Committee on Claims.

Also, a bill (H. R. 5446) for the relief of Esther Cohen; to the Committee on Claims.

Also, a bill (H. R. 5447) for the relief of the next of kin of Edgar C. Bryon; to the Committee on Claims.

Also, a bill (H. R. 5448) for the relief of Leon Schulman; to the Committee on Claims.

Also, a bill (H. R. 5449) for the relief of James E. Westcott; to the Committee on Military Affairs.

Also, a bill (H. R. 5450) granting a pension to Jane Ayre; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5451) granting an increase of pension to Jennette A. Howland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5452) granting an increase of pension to Edward J. McCauley; to the Committee on Pensions.

By Mr. DAVENPORT: A bill (H. R. 5453) granting an increase of pension to Callista Sylvea; to the Committee on Invalid Pensions.

By Mr. DEMPSEY: A bill (H. R. 5454) granting a pension to De Että Burdick; to the Committee on Invalid Pensions.

By Mr. DRIVER: A bill (H. R. 5455) for the relief of certain landowners; to the Committee on the Public Lands.

By Mr. EATON: A bill (H. R. 5456) for the relief of Fredrick MacMonnies; to the Committee on Claims.

By Mr. EDWARDS: A bill (H. R. 5457) for the survey and improvement of Darien Harbor, with particular reference to what is known as Rifle Cut, at or near Darien, Ga., and authorizing an appropriation of \$200,000 therefor; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5458) authorizing an appropriation of \$1,000,000 for the improvement and maintenance of Savannah Harbor from the bar to the Coastal Highway Bridge; to the Committee on Rivers and Harbors.

By Mr. ESTERLY: A bill (H. R. 5459) providing for the examination and survey of the Schuylkill River, Pa.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5460) for the relief of Catherine L. Kline; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 5461) for the relief of Robert H. Maxwell; to the Committee on World War Veterans' Legislation.

By Mr. SCHNEIDER: A bill (H. R. 5462) granting a pension to Mary Butler; to the Committee on Pensions.

Also, a bill (H. R. 5463) granting a pension to Kate Suchan; to the Committee on Pensions.

By Mr. ELLIOTT: A bill (H. R. 5464) to authorize the presentation of a medal of honor to Maj. Gen. Omar Bundy, United States Army, retired; to the Committee on Military Affairs.

By Mr. W. T. FITZGERALD: A bill (H. R. 5465) granting a pension to Leota Dell Sharp; to the Committee on Invalid Pensions.

By Mr. FLETCHER: A bill (H. R. 5466) granting an increase of pension to Mary C. Gleason; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5467) granting a pension to Nannie O. Hinds; to the Committee on Invalid Pensions.

By Mr. FREDERICKS: A bill (H. R. 5468) for the relief of Willard Moore; to the Committee on Military Affairs.

Also, a bill (H. R. 5469) granting a pension to George H. Walker; to the Committee on Pensions.

Also, a bill (H. R. 5470) granting a pension to Frederick E. Kingsbery; to the Committee on Pensions.

Also, a bill (H. R. 5471) for the relief of N. H. Thibodeaux; to the Committee on Claims.

Also, a bill (H. R. 5472) granting an increase of pension to William G. Shields; to the Committee on Pensions.

Also, a bill (H. R. 5473) granting a pension to Henry Phalen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5474) granting a pension to Margaret Boyle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5475) granting a pension to Michael Dugan; to the Committee on Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 5476) granting an increase of pension to Emeline Reed; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 5477) granting an increase of pension to Jennette Eldridge; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5478) granting an increase of pension to Ayner Browne; to the Committee on Pensions.

By Mr. HAWES: A bill (H. R. 5479) granting an increase of pension to Emilia Radt; to the Committee on Invalid Pensions.

By Mr. HOLADAY: A bill (H. R. 5480) granting an increase of pension to Hannah P. Hall; to the Committee on Invalid Pensions.

By Mr. HOGG: A bill (H. R. 5481) granting an increase of pension to Mary B. Hill; to the Committee on Invalid Pensions.

By Mr. HOUSTON: A bill (H. R. 5482) granting a pension to Harriette A. Boyd; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H. R. 5483) for the relief of the heirs of William Woods; to the Committee on Claims.

By Mr. KING: A bill (H. R. 5484) to correct the military record of James M. Winston; to the Committee on Military Affairs.

By Mr. LITTLE: A bill (H. R. 5485) granting a pension to Sophronia O'Neil; to the Committee on Invalid Pensions.

By Mr. MILLER: A bill (H. R. 5486) for the relief of Levi Wright; to the Committee on Military Affairs.

Also, a bill (H. R. 5487) for the relief of Hinman D. Folsom, Jr.; to the Committee on Claims.

By Mr. MORGAN: A bill (H. R. 5488) granting an increase of pension to Susan V. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5489) granting an increase of pension to Margaret F. Brunner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5490) granting an increase of pension to Elizabeth Lilly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5491) granting an increase of pension to Cordelia A. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5492) granting an increase of pension to Mary Ellen Montis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5493) granting an increase of pension to Samantha McCann; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5494) granting an increase of pension to Rebecca M. Reese; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5495) granting an increase of pension to Anne Jones; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5496) granting an increase of pension to Sarah Catherine Hughes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5497) granting an increase of pension to Anna M. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5498) granting an increase of pension to Francis Rounds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5499) granting an increase of pension to Mary E. Wright; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5500) granting an increase of pension to Catherine Rutherford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5501) granting a pension to Adeline McAnaney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5502) granting a pension to Margaret Diehl; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5503) granting a pension to Martha L. Jackson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5504) granting a pension to Annie E. Fryer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5505) granting a pension to Phedora J. Black; to the Committee on Invalid Pensions.

By Mr. PRALL: A bill (H. R. 5506) for the relief of the depositors of the Mariner Harbor National Bank, Mariners Harbor, in the county of Richmond, in the State of New York; to the Committee on Claims.

By Mr. RANKIN: A bill (H. R. 5507) for the relief of Agnes M. Harrison, postmistress at Wheeler, Miss.; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 5508) granting a pension to Marion M. Woolum; to the Committee on Pensions.

Also, a bill (H. R. 5509) to correct the military record of Felix Sizemore; to the Committee on Military Affairs.

By Mr. ROMJUE: A bill (H. R. 5510) granting an increase of pension to Matilda Hester; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5511) granting an increase of pension to Nancy J. Longcor; to the Committee on Invalid Pensions.

By Mr. ROWBOTTOM: A bill (H. R. 5512) granting an increase of pension to Sophia Fahr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5513) granting a pension to Levi C. Posey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5514) granting a pension to Phebe Clark Defendol; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5515) granting a pension to Frank Carey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5516) granting a pension to Oliver P. Swain; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5517) granting a pension to Elbert M. Defendall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5518) granting a pension to Sophie Atkinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5519) granting a pension to Lawrence E. Burch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5520) granting a pension to Maude I. Lowrance; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5521) granting a pension to Amelia H. Lipper; to the Committee on Invalid Pensions.

By Mr. RUBEY: A bill (H. R. 5522) for the relief of Dennis W. Scott; to the Committee on Military Affairs.

By Mr. SEARS of Nebraska: A bill (H. R. 5523) granting a pension to Amanda Lowry; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 5524) granting a pension to Dellie Perry; to the Committee on Invalid Pensions.

By Mr. STEPHENS: A bill (H. R. 5525) granting a pension to Jennie Green; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 5526) granting a pension to Daniel Victor; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 5527) granting a pension to Herbert O. Swagerty; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 5528) for the relief of Mary Wells; to the Committee on Claims.

Also, a bill (H. R. 5529) granting an increase of pension to Jennie Beadle; to the Committee on Invalid Pensions.

By Mr. TINCHER: A bill (H. R. 5530) granting an increase of pension to Mary E. Metlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5531) granting an increase of pension to Adella H. Merwin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5532) granting an increase of pension to Anna Maes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5533) granting an increase of pension to Lora Belle Fasig; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5534) granting an increase of pension to Melissa E. Gaines; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5535) granting a pension to Luella Blakely; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5536) granting a pension to Kate D. Winslow; to the Committee on Invalid Pensions.

By Mr. TILSON: A bill (H. R. 5537) granting an increase of pension to Mary Jane Worthington; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5538) granting an increase of pension to Theodosia Davis Whitaker; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 5539) granting an increase of pension to Martha F. Brown; to the Committee on Invalid Pensions.

By Mr. VARE: A bill (H. R. 5540) for the relief of the estate of Richard W. Meade, deceased; to the Committee on Claims.

By Mr. VINSON of Kentucky: A bill (H. R. 5541) granting a pension to Mary E. Meade; to the Committee on Invalid Pensions.

By Mr. WALTERS: A bill (H. R. 5542) granting a pension to Albert C. Kinsey; to the Committee on Invalid Pensions.

By Mr. WARREN: A bill (H. R. 5543) to provide for an examination and survey of the channel from Maple, N. C., to the inland waterway from Norfolk to Beaufort; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 5544) to provide for an examination and survey of Gardners Creek and Devils Gut, which are tributaries of Roanoke River, N. C.; to the Committee on Rivers and Harbors.

By Mr. WELSH: A bill (H. R. 5545) for the relief of Ernestine McBride; to the Committee on Claims.

By Mr. WILLIAMSON: A bill (H. R. 5546) granting an increase of pension to Maria J. Allison; to the Committee on Invalid Pensions.

By Mr. WOLVERTON: A bill (H. R. 5547) granting a pension to Clarence G. Stonestreet; to the Committee on Pensions.

Also, a bill (H. R. 5548) to correct the military record of Clarence G. Stonestreet; to the Committee on Military Affairs.

By Mr. WOODRUFF: A bill (H. R. 5549) granting an increase of pension to Mary J. Willis; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 5550) granting an increase of pension to Margaret Stine; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5551) granting an increase of pension to Gertrude Schachte; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5552) granting an increase of pension to Mary Jane Ressler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5553) granting an increase of pension to Lucinda Nedrow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5554) granting an increase of pension to Euphemia J. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5555) granting an increase of pension to Maria E. Sager; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5556) granting an increase of pension to Mary C. Bossart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5557) granting an increase of pension to Henrietta R. Hill; to the Committee on Invalid Pensions.

By Mr. ZIHLMAN: A bill (H. R. 5558) granting an increase of pension to John E. Root; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5559) granting a pension to Lizzie E. Buckingham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5560) granting a pension to Katherine V. Heusel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5561) granting a pension to Emma Ross; to the Committee on Pensions.

Also, a bill (H. R. 5562) granting a pension to Alice E. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 5563) granting a pension to Mary E. English; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

94. By Mr. ADKINS: Papers to accompany H. R. 5257, granting an increase of pension to John M. Barrick; to the Committee on Invalid Pensions.

95. Also, papers to accompany H. R. 5258, granting an increase of pension to Evaline Stuart; to the Committee on Invalid Pensions.

96. By Mr. BEERS: Papers to accompany H. R. 5261, granting an increase of pension to Susanna Conner; to the Committee on Invalid Pensions.

97. By Mr. GARBER: Resolution of the Parent-Teachers' Association of School District No. 81, of Kay County, Okla., and resolution of Parent-Teachers' Association of School District No. 21, of Noble County, Okla., indorsing the establishment of a department of education; also resolution of the department executive committee of the American Legion of Oklahoma, relative to an extension of the time now allowed by law within which to convert or reinstate war-risk insurance; also resolution of the Tulsa Clearing House Association, Tulsa, Okla., opposing the extension of time whereby dividends and interest from domestic building and loan associations shall be excluded from gross income in preparing income-tax returns; to the Committee on Education.

98. By Mr. GARNER of Texas: Petition of the executive committee of the Sheep and Goat Raisers' Association of Texas, opposing legislation extending the time when sheep and goats which have or may be crossed into foreign country for temporary pasturage purpose only may be returned, except under the provisions of the tariff act of 1922, and pay thereon all duties assessed under said act; to the Committee on Ways and Means.

99. By Mr. WILLIAM E. HULL: Petition of members of Company C, of Camp Roosevelt, Fort Sheridan, Ill., during the summer of 1925, urging that inauguration day be made a legal holiday; to the Committee on the Library.

100. By Mr. KINDRED: Petition of the American Manufacturers' Association, asking for reduction of tax on pure alcohol; to the Committee on Ways and Means.

101. Also, resolution of the Good Citizenship League of Flushing, N. Y., urging a record vote during the present session upon the question of adherence to the World Court; to the Committee on Foreign Affairs.

102. By Mr. ROUSE: Petition of citizens of Campbell and Kenton Counties, Ky., asking for a tax reduction on the necessities of life; to the Committee on Ways and Means.

103. Also, resolution of Local Union No. 5 of the Amalgamated Association of Iron, Steel, and Tin Workers, of Newport, Campbell County, Ky., protesting against a consolidation

of the Ward, Continental, and General Baking Cos.; to the Committee on the Judiciary.

104. By Mr. WOODRUM: Petition of the Fifteen Club of Bedford, Va., advocating the entry of America in the World Court; to the Committee on Foreign Affairs.

SENATE

TUESDAY, December 15, 1925

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father and our God, we rejoice before Thee this morning that Thou hast continued unto us health and strength and permitted us to realize that we are dependent upon Thee for all the opportunities of life; and we seek Thy guidance in every pathway of duty. Lead us onward with a clearer apprehension of our obligations to Thee and to the land we love. Hear us, we ask Thee, in the midst of unblazed pathways, that we may find for ourselves that there is for us definite direction and that we can trust Thee to guide us by Thine eye. Hear and help, for Jesus' sake. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CLAIM ON ACCOUNT OF DANIEL SHAW WILLIAMSON, DECEASED (S. DOC. NO. 22)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report from the Secretary of State in relation to the claim presented by the British Government for indemnity on account of the death of Daniel Shaw Williamson, a British subject, at East St. Louis, Ill., on July 1, 1921. I recommend that the Congress authorize an appropriation and that an appropriation be made to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

CALVIN COOLIDGE.

THE WHITE HOUSE, December 14, 1925.

REPORT OF PERRY'S VICTORY MEMORIAL COMMISSION

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on the Library:

To the Congress of the United States:

I transmit herewith for the information of the Congress the sixth annual report of Perry's Victory Memorial Commission for the year ending December 1, 1925.

CALVIN COOLIDGE.

THE WHITE HOUSE, December 14, 1925.

REPORT OF THE ALASKA RAILROAD

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Territories and Insular Possessions:

To the Congress of the United States:

In compliance with the requirements of section 4 of the act of March 12, 1914, I transmit herewith the report of the Alaska Railroad, covering the period from July 1, 1924, to June 30, 1925.

CALVIN COOLIDGE.

THE WHITE HOUSE, December 14, 1925.

[NOTE.—Report accompanied similar message to the House of Representatives.]

REPORT OF GOVERNOR OF THE PHILIPPINE ISLANDS (H. DOC. NO. 127)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Territories and Insular Possessions: